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KOMMUNIST

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7 JANUARY 1987

# USSR REPORT

## KOMMUNIST

No 13, September 1986

[Translation of KOMMUNIST, the Russian-language theoretical and political journal of the CPSU Central Committee published in Moscow (18 issues per year).]

### CONTENTS

New Political Thinking in Action.....	1
STRATEGY OF ACCELERATION: THEORY AND PRACTICE	
Reorganization of the Management System and Centralized Planning (V. Kirichenko).....	9
Ways of Increasing Machine Building Efficiency (P. Belyanin).....	20
Debates and Discussions	
'Taking a New Look...': An Economist's Thoughts (O. Latsis).....	32
Major Link of Renovation: Some Results of the KOMMUNIST-Sponsored Roundtable Discussion at the Novolipetsk Metallurgical Combine.....	48
NEW WAY OF THINKING AND WORKING	
Power of Publicity (B. Kalashnikov).....	55
In My Opinion... Letters to the Editors	
From the Experience of the Struggle for Pace and Quality (M. Malakhov).....	68
Material Base for the Engineering VUZ (Yu. Ryzhov).....	71

EVERYTHING WITHIN MAN -- EVERYTHING FOR MAN

Social Justice and the Human Factor in Economic Development (T. Zaslavskaya).....	74
--	----

Man of the New World: Concerns, Ideals, Values

Cherlak Needs 'Eccentrics'.... (T. Iskantseva).....	88
--	----

SOCIAL POLICY, DEMOCRACY, SELF-GOVERNMENT

Socialist Self-Government: Political-Economic Aspect (A. Auzan).....	93
---	----

CONTEMPORARY WORLD: TRENDS AND CONTRADICTIONS

In the Struggle for Peace, National Liberation and Socialism (Ruben Dario Souza).....	106
--	-----

Who Is Responsible for the Critical Economic Situation in Africa? (A. Vasilyev).....	116
---	-----

New Forms of Exploitation in the Capitalist World (F. Goryunov).....	128
---	-----

BOOK REVIEWS AND BIBLIOGRAPHY

Assignment Following a Book (D. Kazutin).....	140
--	-----

Young Detachment of the International Working Class (A. Dzasokhov and V. Turadzhev).....	147
---	-----

Documents of a Lifetime Exploit (I. Mints).....	153
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## NEW POLITICAL THINKING IN ACTION

Moscow KOMMUNIST in Russian No 13, Sep 86 (signed to press 2 Sep 86) pp 3-9

[Text] Mankind is experiencing a difficult and exceptionally crucial period. The arms race, which has intensified through the fault of imperialism, has assumed such tremendous dimensions that it threatens, like an avalanche, to throw the world into the precipice of nuclear catastrophe. The situation is becoming increasingly intolerable and no delay in acting is allowed, for the destiny of global civilization is at risk.

Under such extreme circumstances, more than ever before the governments of all countries, the great powers above all, must display the highest measure of realism and responsibility, true governmental wisdom and caution, and take daring and thoroughly weighed steps dictated not only by the national interests but also by the expectations of all mankind. Briefly, a new political thinking in action is necessary.

Such precisely are the highly responsible approach to international affairs and the new forms of thinking and acting displayed by the Soviet Union and its political leadership. This was most vividly confirmed in the 18 August 1986 declaration by M.S. Gorbachev, CPSU Central Committee general secretary, on Soviet television, which proclaimed a new important contribution by our country to the cause of peace: the decision to extend the unilateral moratorium on nuclear explosions. This declaration was an essential link in the chain of Soviet peaceful foreign policy initiatives taken in recent times, and it met with the broadest possible response in the world. It became a major political event. Its content is imbued with the ideas and conclusions of the 27th Party Congress, which marked a new stage in the Leninist foreign policy of the CPSU and the Soviet state. Once again it expressively proved that the actions taken by the land of the soviets in the international arena are not of accidental and circumstantial nature but are determined by the strategic foreign policy concepts formulated at the congress, based on the fundamental scientific concept which is the result of the creative application by our party of the Marxist-Leninist doctrine and method to the analysis of the realities of today's nuclear-space age and the contemporary stage in global social development.

This concept includes, above all, a new approach to the question of war and peace and a clear and responsible understanding of the fact that the previous concepts of war as an instrument of attaining political objectives has become totally obsolete. There can be no winner in a nuclear battle which would inevitably end with deaths and casualties in the country which would dare to initiate it, and bring about catastrophic consequences for all mankind. That is why under contemporary conditions it is absolutely unacceptable and inadmissible to try to solve international conflicts by resorting to force and to the nuclear sword or the threat of its use, and that finding means for the political settling of such conflicts is vitally necessary.

The CPSU also proceeds from the fact that a new approach will be necessary to the problem of ensuring the safety of countries in the contemporary world, for the nature of nuclear missile weapons does not allow any country to make itself invulnerable to any extent through military-technical means. Furthermore, the intensifying arms race is weakening both common international security and the security of the individual countries. The appearance of new means of warfare in general threatens to surrender control over them and, consequently, over political decisions to inanimate computers which, as the result of a technical error, could wipe out human civilization from the earth.

The new scientific foreign policy concept which guides the CPSU takes thoroughly into consideration the most important features of the state of affairs in the human community at the end of the 20th century and, above all, the objective fact that the complex, varied and conflicting world in which we live is becoming increasingly interconnected and integral. It combines the historical confrontation between two systems and the growing trend toward constructive interaction among all countries, something which is demanded with increased urgency by the realities of the contemporary stage in the development of mankind and without which huge global problems, such as poverty, disease, illiteracy, ecology, the conquest of space and the oceans and scientific and technical progress, which are facing the peoples in their entire magnitude, have become impossible to solve. In striving for a halt to the arms race and to curbing the huge military expenditures (currently more than \$800 billion is being spent for such purposes throughout the world every year), the Soviet Union is proposing a constructive program for the use of the released funds and of the intellectual and technical potential in the interest of all mankind, for the solution of global problems.

"The final decades of the 20th century," the resolution of the 27th CPSU Congress reads, "have set to the peoples of the planet difficult and crucial problems. The need to solve the most vital human problems must awaken them to cooperation and provide an outlet for the tendency of human self-preservation." Therefore, life itself and the course of global developments firmly demand that peaceful coexistence become the high universal principle of international relations and that the many faceted cooperation among countries, regardless of differences in their social systems, become their living fabric. Our country has invariably promoted and is promoting this concept.

The principled approach taken by the CPSU to the difficult and alarming situation in the world is distinguished by its high degree of realism, responsibility and optimism. Aware of the fact that the elimination of

existing threats and equalizing international relations greatly depend on whether or not the ruling circles in the capitalist countries will be able to take the path of sober and constructive evaluations of events, the CPSU proceeds from the conviction, as was pointed out at the congress, that we cannot accept "no" as an answer to the question of will there or will there not be a mankind? We say that social progress and the life of civilization can and will continue. "The contemporary conceptual base of the peace-loving foreign policy," the CPSU Central Committee resolution "On the Journal KOMMUNIST" emphasizes, "is an organic blend of the new political philosophy of peace and a platform of specific decisive actions proceeding from the realities of the nuclear space age in which the historical confrontation between socialism and capitalism can and must take place exclusively in peaceful forms."

The fundamental principles of the foreign policy course of our party and state, approved by the 27th Congress, were further creatively developed in the declaration of the CPSU Central Committee general secretary. Based on the new phenomena in international life, which were manifested during the postcongress period, and the quality shifts in objective trends of global developments which took place, the declaration analyzes the situation as it has developed and considers it in the light not of far-fetched dogmas and stereotypes but the objective thread of life. The formulations included in this most important document of Soviet foreign policy, therefore, express the broad approach taken in international affairs, inherent in the line charted by the congress and the new draft of the CPSU program, and the ability promptly to take into consideration changes in the circumstances, look reality in the face and objectively assess events in order to react to the requirements of the times. A firm reliance on the fundamental and inviolable foundations of the party's Leninist policy in the world arena and inflexible loyalty to the main objective of CPSU foreign policy strategy, which is ensuring for the Soviet people and all peoples on earth the possibility of work under conditions of lasting peace and freedom, is retained.

M.S. Gorbachev's statement clearly proves that the ideas and resolutions of the Leninist party congress are effective. They are working and are being energetically implemented through the practice of the dynamic international activities of the Soviet Union which, as a socialist state and a nuclear power, deems it its high duty to do everything it can to protect the peaceful future of the planet. This is the invariable pivotal line of Soviet foreign policy. "Our aspiration of shifting the course of international development to the track of detente," M.S. Gorbachev emphasized, "is consistent with our philosophy and our socialist morality."

That is the purpose for which of late the Soviet Union has mounted a tremendous peaceful offensive and formulated a broad range of new and important initiatives aimed at ensuring a radical change in international affairs and improvements in the situation. This entire array of initiatives is distinguished by realism, daring, scope and a constructive approach.

The concrete and thoroughly formulated program for the elimination of nuclear and other types of weapons of mass destruction and saving mankind from the threat of a global catastrophe in the maximally short time period of 15 years,



which was proposed by the Soviet Union on January 15 of this year, is a program which fully answers to the needs of our age.

In numerous international discussions, the Soviet Union has submitted new proposals at the Soviet-American talks in Geneva on nuclear and space armaments; a set of steps drafted together with its Warsaw Pact allies on reducing armed forces and conventional armaments in Europe, from the Atlantic to the Urals; new suggestions on banning chemical weapons and eliminating their stockpiles; major initiatives at the Stockholm conference, opening the way to important agreements; an extensive and comprehensive platform for ensuring security and cooperation in the Asian-Pacific region; a thoroughly considered plan for "star peace," countering the American program for "star wars;" an official proposal of creating an all-embracing system of international security, and many others.

The simple enumeration of the most important Soviet initiatives indicates their large-scale nature and truly global scope. As it increases its activities along a broad front of international problems, our country is combining in its foreign policy principle-mindedness, firmness and persistency with a flexible and constructive approach and readiness to find mutually acceptable compromises for the specific problems which trigger disputes and suspicion and for the close study and consideration of the viewpoints and initiatives of other governments and public and political movements.

The Soviet Union is pursuing with particular persistence and firmness the difficult struggle against the growing nuclear arms race, which threatens to get out of control. This problem has acquired now exceptional gravity, for monstrous means of mass destruction, sufficient for the multiple destruction of all life on our planet, have been accumulated. Today the life of the people is threatened by more than 50,000 nuclear warheads, the total power of which is assessed by specialists as "1 million Hiroshimas" or 3.5 tons of TNT per person on earth.

It is high time to come to our senses, to stop, to terminate the already suicidal arms race, for which the Soviet Union is tirelessly appealing and which is demanded by all nations on earth. However, with maniacal persistence, the imperialists are continuing to add ever new spirals to this lethal race, increasing their nuclear weapon arsenals, creating ever new, more refined and dangerous types, and undertaking the implementation of criminal plans for the militarization of space.

The Soviet Union has firmly opposed nuclear weapons ever since they appeared. In the summer of 1946, a few months after the tragedy of Hiroshima and Nagasaki, it drafted and submitted for consideration by the United Nations an international convention which would ban the use, production and stockpiling of such weapons. In an effort to retain atomic monopoly, however, the United States rejected this proposal.

Forced, in the interest of its own security and the protection of the fraternal socialist countries, to develop its own nuclear weapon and, subsequently, to secure military-strategic parity, our country continued tirelessly and consistently to call for an end to the quantitative and

qualitative growth of nuclear arsenals and for their reduction and elimination. In recent years, in an effort to halt the dangerous trends in international affairs and to hinder and halt the arms race and, in a display of its will for peace and high responsibility for the fate of mankind, the Soviet Union took a number of exceptionally important and valuable unilateral actions, trying, through its good example, to motivate other countries to take responsive constructive steps. Thus, in 1982 the USSR assumed the obligation not to be the first to use nuclear weapons; 1 year later it announced a moratorium on introducing antisatellite weapons in space; in the summer of 1985 it took a new radical initiative: it unilaterally imposed a moratorium on nuclear weapon testing and called upon the United States and the other nuclear powers to act correspondingly.

The principal merit of a general moratorium would be that it would provide the most realistic and simple way, a way demanding no material outlays or particular efforts other than agreement and goodwill, to the limitation and cessation of the nuclear arms race, for without testing, without new explosions, such weapons can neither be perfected nor, even less so, lead to the development of new and more refined varieties. A moratorium adopted by two or several nuclear powers would not harm their national security, for it would not disturb the existing military-strategic parity but only, to a certain extent, would "freeze" it on the existing level. Finally, the particular value of a moratorium today is that it would halt practically, de facto, nuclear tests, without waiting for the resumption of international talks on this problem and the de jure banning of such tests. This would provide a powerful impetus for the talks and would clear the way to their successful outcome.

The unilateral Soviet moratorium on nuclear explosions, which lasted for more than 1 year and was extended three times, was a daring and energetic step, and a particularly impressive and convincing measure irrefutably confirming the sincere love of peace shown by our country and its true aspiration to curbing the arms race. It had a tangible impact on the positions held by governments and political parties of many countries and on broad public opinion; it contributed to the fact that an increasing number of people in the West, who were previously under the influence of bourgeois propaganda, are imbued with respect for and trust in the policy of the Soviet Union. The moratorium became a powerful catalyst for positive processes in international life, inspiring all peace-loving countries and sociopolitical forces to active efforts to save human civilization.

Dozens of countries in Europe, Asia, Africa and Latin America expressed their approval of the Soviet decision and called upon the United States to follow this example. As a model worthy of emulation, the Soviet moratorium was highly rated by the UN General Assembly. Last year, at the 40th session of this representative forum of the world community, 120 countries voted in favor of a resolution on halting and banning nuclear weapons tests; only three voted against (the United States, Britain and France).

Noted scientists, people most competent in the area of nuclear energy problems, actively demonstrated their support of the Soviet initiative at recently held international fora of scientists in the defense of peace; they



urgently called upon the American administration to end nuclear explosions. Similar requirements were formulated more energetically by increasingly broader public circles in the United States itself and other NATO countries.

All of these facts prove that the absolute majority of countries throughout the world and all mankind, having realized the threat related to nuclear weapons, decisively demand the halting of its testing and that the course charted by the U.S. administration of increasing its nuclear arsenal is meeting with universal condemnation while the administration itself is becoming increasingly politically isolated in the world arena.

However, Washington did not respond positively to a single Soviet initiative and answered our moratorium with an entire series of nuclear explosions (18 such explosions have already taken place), which were given increasingly extravagant names, such as "mighty oak," "horn of plenty," etc. Clearly, the U.S. ruling circles tried through their actions, in addition to everything else, to provoke the Soviet Union into resuming nuclear explosions, abandoning the moratorium and thus putting an end to this exceptionally important initiative.

The new daring step taken by our country, which displayed restraint, patience and farsightedness wrecked the hopes of the nuclear maniacs and confused their plans. Having comprehensively and scrupulously weighed the positive and negative aspects, and guided by a feeling of responsibility for the destinies of peace, the CPSU Central Committee Politburo and the Soviet government decided to extend the unilateral moratorium for another almost 5 months. They took into consideration the numerous appeals of different governments, political personalities and public organizations.

In behalf of the Soviet people, M.S. Gorbachev appealed to the reason and dignity of the Americans and to the U.S. administration to make a realistic assessment of the existing situation, to stop deluding itself concerning the foreign policy of the Soviet Union and not to miss once again the historical opportunity of halting the arms race.

The Soviet moratorium is no verbal rhetoric or mere proposal. It is a practical action which proves in fact the seriousness and sincerity of our nuclear disarmament program. It is a major offensive political action which once again drew universal attention to the most crucial and urgent problem of our time: halting and banning nuclear weapon tests as an important step on the way to saving mankind from the threatening catastrophe. The struggle for security and for the survival of human civilization was given a new powerful impetus and additional time and opportunity to enhance antiwar and antinuclear movements and all forces of reason and goodwill, who are calling for an end to nuclear tests.

Understandably, a bilateral or multilateral moratorium is not a self-seeking aim. One must go beyond it, to the resumption or initiation of international talks on a total or universal ban on testing nuclear weapons and concluding legal treaties which would mandatorily stipulate strict and efficient verification. The Soviet Union is ready for this and is convinced that such an agreement, if reciprocally desired, can be reached with the United States

quickly and initialed at a Soviet-American summit. This would mark a significant step toward halting the arms race and would contribute to the progress of talks on nuclear armaments and their elimination and have a beneficial impact on the entire political situation in the world.

In taking this difficult, complex and exceptionally important step, particularly from the defense viewpoint, our party's and government's leadership proceeded from the understanding that it is consistent with the supreme interests of all nations, of all mankind. As M.S. Gorbachev's answer to the message sent by the leaders of Argentina, Greece, India, Mexico, Sweden and Tanzania states, "We consider that our unilateral action is justified, for it should contribute to solving the problem of nuclear tests and rescuing mankind from the nuclear threat."

The powerful wave of nationwide support and approval in our country and the broadest possible international response clearly confirmed that this would be a proper solution, a right step. The reputation of the Soviet Union increased even further, as it convincingly gave an example of a new type of political thinking in action, systematically pursuing a policy of realism, peace and cooperation, and calling upon the United States and the other Western countries to follow it.

The decision of the Soviet leadership to extend the unilateral moratorium caught the U.S. administration by surprise, and its hasty negative answer became an act of self-exposure, which revealed the entire hypocrisy of the loud declarations made by official Washington about its alleged profound concern for the destinies of the peace and its aspiration to make nuclear weapons "powerless and obsolete." Once again those in power in the United States, expressing the greedy interests of the military-industrial complex, are calling for nuclear explosions to continue to shake up our planet, challenging the majority of the world community, ignoring the warnings of competent scientists and physicians and the firm and persistent appeals of the world's public.

The worn-out excuses of "Soviet military superiority" or impossibility of control have long stopped convincing anyone. It is widely known that the aspiration of the American administration to continue with nuclear testing at all cost was dictated by the program for increasing and perfecting its military potential and, particularly, the plans for the development of new weaponry systems for the notorious SDI, based on the utilization of nuclear energy. The mirage of achieving military superiority over the USSR is still fogging the mind and darkening the eyesight of U.S. leading circles.

However, these are futile hopes. They failed in the past and are absolutely groundless today. We well remember the lessons of history and we know who we are dealing with. That is why the security of the country, as M.S. Gorbachev emphasized, is sacred to us. Our unilateral moratorium is not a sign of weakness or a unilateral disarmament. The patience of the Soviet people is great but not limitless. If necessary, the Soviet Union will be able to find a convincing response to any challenge.

Naturally, no one expects the implementation of a program of progress toward a world without wars and armaments to be easy and smooth. The reactionary imperialist circles and the powerful military-industrial complex, who are dominating the political course of the U.S. administration and of other Western countries, have simply become crazy with the growing arms race and, are unwilling to consider the realities of the nuclear age, are stubbornly opposing the daring initiatives and practical steps aimed at its limitation and cessation. In order to prevail over the forces of militarism the entire planetary antiwar potential and the efforts of all peace-loving countries and peoples must be mobilized. A new and largely decisive stage in the struggle for banning nuclear tests, curbing the arms race, rescuing mankind from the threat of catastrophe and promoting reliable peace and comprehensive international security is developing. The new style of political thinking, an example of which is set by our country and its leadership, is the binding foundation of such actions.

Our party, the CPSU program emphasizes, proceeds from the fact that however great the threat to peace caused by the policy of aggressive imperialist circles may be, a nuclear war is not fatally inevitable. Peace and the very right of the people to life can be defended. Naturally, however, this will not come by itself. The firm defense of peace on earth consists of the joint efforts of millions and millions of people. It is particularly important today, therefore, for every person, whoever he may be and whatever his job, to become fully aware not only of the fact that he is living in an exceptionally crucial time but is also involved with the concerns and worries about the future of all mankind.

The systematically peaceful course followed by the CPSU and the Soviet state is a nationwide policy which is expressing the expectations and will of every Soviet person, of all Soviet people who strengthen through their toil the might of the homeland and contribute to the acceleration of its socioeconomic development, thus making a worthy contribution to safeguarding and strengthening peace.

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## STRATEGY OF ACCELERATION: THEORY AND PRACTICE

### REORGANIZATION OF THE MANAGEMENT SYSTEM AND CENTRALIZED PLANNING

Moscow KOMMUNIST in Russian No 13, Sep 86 (signed to press 2 Sep 86) pp 10-19

[Article by V. Kirichenko, doctor of economic sciences]

[Text] Centralized planning is the determining link in the system of administration and methods of economic management inherent in socialist society. It is the necessary manifestation of the basic objective law of the communist system as a whole and of its first phase: the law of planned development of the entire public production, which is a mandatory and initial form of economic realization of ownership by the whole people. "Socialism," V.I. Lenin wrote, "is inconceivable...without the planned state organization which makes tens of millions of people to observe most strictly a single standard in production and distribution of products" ("Poln. Sobr. Soch." [Complete Collected Works], vol 36, p 300).

Proceeding from the fundamental Leninist ideas and emphasizing the need "to strengthen and perfect centralized planned economic management, which is the great accomplishment and radical advantage of socialism," the 27th CPSU Congress described planning as the most important instrument in the implementation of the party's economic policy and the main lever in the acceleration of the country's socioeconomic development, production intensification based on scientific and technical progress, and ensuring the balanced and dynamic growth of the economy and the primacy of state interests.

The planning function, as the basic link in economic management, creates the special role of perfecting it in implementing the radical reform of the economic mechanism, earmarked at the 27th CPSU Congress, and making it consistent with the conditions and needs for the conversion to intensive socialist expanded reproduction. The content and scientific substantiation of plans predetermine to a decisive extent the trend and real possibilities of changing other aspects of the economic mechanism, such as the economic incentive system, the organizational structure of production and management, and others. However, this link is not one-sided: the effectiveness of planning (and, particularly, of the process of plan implementation), in turn is largely determined by progressive changes in the elements of the economic management mechanism and, above all, the development of the stimulating role of socialist distribution according to labor results and cost accounting as a whole, and improvements in the utilization of commodity-monetary relations.



The most important features of the current planning system (and the economic mechanism as a whole) developed under the historical circumstances governed by the extensive type of socialist expanded reproduction. Yet in the 1960s the question of converting to all-round intensification had been already objectively raised. The scale of the production apparatus and the amount of prime resources used increased on an unparalleled scale and so did the complexity of the structure of the national economy and intersectorial and interregional interaction. The scientific and technical revolution is gathering speed at a headlong pace and entering a new stage today. Objectively this makes the acceleration of scientific and technical progress the main trend in economic strategy. The radical reorganization on an advanced technical basis of the entire created potential and the respective enhancement of the educational standard and professional training of the workers are becoming decisive sources of further economic growth. The qualitative advancement of the production process as a prerequisite for a greater consistency between the latter and dynamically changing needs is becoming the leading criterion of economic progress. In this connection, the flexibility of the variety of output and services, and resource conservation as the principal means of meeting additional needs for raw materials and fuel, become absolutely necessary. The capacity of the economic system to react rapidly and quickly to changes in the conditions of economic growth (caused by the increased interdependence among economic, social and intellectual factors of social development and changes in the nature of reproduction of manpower and material resources, the enhanced well-being of the Soviet people and the expansion of foreign economic relations) and, above all, the maximal acceptance of scientific and technical progress by the economy become increasingly important.

The urgent and acute need for a radical restructuring of the economic management mechanism as a whole, planning above all, and the decisive and immediate elimination of their features considered inconsistent with contemporary conditions and, therefore, which lead to stagnation and negative trends and cause difficulties in solving tasks set by the party for a revolutionary reorganization of production forces and a sharp increase in public production efficiency, have become apparent in the drastically changed situation. "A great deal of good existed in the practices and activities of the party in the past," M.S. Gorbachev emphasized at the conference of the aktiv of the Khabarovsk Kray Party Organization. "This must be taken into consideration. But, comrades, the time and tasks of today are entirely different. There can be no progress if we seek answers to the new problems in the economy, technology and experience of the 1930s, 1940s and 1950s, and even the 1960s and 1970s. These are different times. Requirements are different and needs are different. However, the opportunities are different as well."

Having noted the delay which occurred in the 1960s and 1970s in the necessary changes in the economic mechanism, inadmissibly slowing down the country's extensive development, the April 1985 CPSU Central Committee Plenum, the 27th Party Congress and the June 1986 Central Committee Plenum formulated a basic concept and defined the strategic lines of the profound restructuring of the management system and economic management methods.

First, this means strengthening centralized planning in the main areas, drastically upgrading the role of the higher level of planned management in the implementation of economic strategy while eliminating petty supervision of subordinate agencies (by abandoning detailed regimentation of their actions and issuing an excessive number of indicators and assignments).

The second inseparable component of the party's strategic line, which supplements and concretizes the first, is the course of broadening the economic autonomy and increasing the economic responsibility of the primary production unit: associations and enterprises (as well as territorial management bodies), as a means of developing initiative from below, more precisely linking the specific production structure with the structure and dynamics of social needs and the fuller utilization of the existing production potential and of resources in economic circulation.

Also essentially important are conclusions to the effect that in addition to methods based on directives and organizational orders, economic methods of influencing the various national economic units, based on material incentive, and the systematic application of cost accounting, must be applied more extensively and efficiently.

The implementation of these basic principles in the reorganization of planning and management presumes the development of "horizontal" relations on all levels of socialist economic management (between territorial and sectorial agencies, on the level of the basic unit). Their efficiency is still low. The formulation of plans and decisions concerning economic matters takes place, as a rule, exclusively by turning to the superior authority for initiation, in answer to a command issued on a higher level (the burden falling on the "vertical" management lines), rather than through agreements among units on the same level with guaranteed economic responsibility for the implementation of obligations ("horizontal" interaction). The forms and methods of the intersectorial approach to the solution of production-economic, scientific and technical, environmental protection, demographic and other problems are insufficiently developed.

All of this excessively increases the work of the central planning and management authorities (on the national economic and sectorial levels) involving functions of an executive, a dispatch nature. Yet the involvement of such bodies in solving problems which could be solved by managers on the sectorial, association and enterprise levels does not increase the centralized approach to planning and management objectively inherent in the socialist economic management system, but instead deforms it for, as was emphasized at the June 1986 Central Committee Plenum, dealing with "current matters" distracts the higher echelon of planned management "from seeking ways of solving basic socioeconomic problems, selecting ratios and priorities in the development of the national economy, formulating structural policy, deploying production forces and balancing the economy." Radical improvements in the economic management mechanism are possible, therefore, only with the increased role and expanded rights and enhanced economic responsibility of the basic production unit--the association or enterprise--and territorial management agencies in the planning process.



Adopting a differentiated approach to changes in the forms of planning and methods of management in the various economic areas is also quite essential.

The existing system of economic management and the steps taken previously to improve the management mechanism proceeded essentially from the idea that, considered as targets of planning, all economic sectors are the same. Actually, they vary greatly in terms of their actual level of socialization, role in the reproduction process, economic purpose of the goods and services they provide and the social status of their producers and consumers (state organizations, cooperative enterprises, individual consumers). Therefore, an approach which would clearly take into consideration the specific nature of economic conditions of the various groups of branches, sectors, regions and types of output would be expedient in organizing planning and management (with a general orientation toward the extensive use of economic methods and increased cost accounting).

Thus, in the base sectors (raw material extraction, fuel and power resources, electric power production, basic construction materials, basic chemistry, a number of types of heavy machine building and main transport facilities), obviously, it would be expedient to retain high level centralization and the use of directives in formulating the state orders for output of the most important items in physical terms. The extent of the implementation of such a planned assignment is a base for assessing the results of activities of enterprises in this area. We believe that the high role of budget financing of capital reproduction will be retained (particularly in the development of new deposits and infrastructural planning).

In the processing sectors engaged in the production of construction materials, labor tools and instruments and other mass produced items for industrial use, the independence of associations and the role of economic planning methods must be substantially enhanced. Within the consolidated assignments the formulation of a production program must be based on concluded contracts which reflect not only specific demands of consumers concerning detailed varieties but also deviations from standard output by request of the consumers with compensation for additional costs. The extent of the implementation of obligations on the basis of such contracts is the base for assessing the results achieved by enterprises. This offers significantly broader opportunities for converting to self-financing as a current activity and in the course of the reproduction of fixed assets.

In terms of the production of consumer goods and paid services, centralized planning cannot cover the decisive part of material aspects of end activities of enterprises, which dynamically change depending on changes in demand for quality features related to such activities. It is here that the direct influence of the consumer must be manifested to the highest extent in shaping the variety of produced items and the set of available services. Therefore, both the autonomy of associations and enterprises in formulating their production programs must be the greatest possible and the role of economic management methods and means of financial influence on production maximally highest. In assessing the results of economic activities of enterprises, attaining a certain level of income (profitability) is considerably more important than in other areas.

Such a differentiated approach to shaping the methods of planning and the economic mechanism is clearly manifested of late in solving such problems in the agroindustrial complex, light industry, consumer services and trade.

Therefore, we need an energetic conversion from an economic system characterized by a high level of centralization in the adoption of a number of specific planning and management decisions to a system largely controlled by economic methods based on material incentive and responsibility of primary units for the results of their economic activities. However, in this case the dialectics of development is such that such a transition presumes the simultaneous enhancement of the scientific substantiation of centralized planning. It is important for centralized planning to concentrate on its specific functions within the socialist economic management system, which objectively cannot be replaced by increasing the autonomy of the basic production unit.

## 2

The specific functions of centralized planning, which determine the overall national economic significance of the activities of the upper echelon of planning management are, specifically speaking, the following: scientific substantiation of strategic, medium-term and short-term objectives and tasks of overall economic and social developments; setting overall economic, intersectorial and interregional proportions of public production, which ensure the fullest possible solution of said problems; setting and observing priorities in structure, investment, technical and social policy and in the economic development of new areas; establishing a logically streamlined and interrelated system of economic standards, which direct the entire economic system toward increasing the results of the utilization of resources and upgrading the role of the consumer; structuring a system of consolidated assignments for the subordinate units (in "kind" and increased efficiency); setting the limits of production resources to which the ministry and association (enterprise) is entitled within the planned period.

Directing planning toward the solution of national problems of economic and social development under the conditions of the expanded autonomy of the primary unit and the enhancement of its role in the shaping of production programs presumes limiting and reducing details included in centralized planned assignments and indicators issued to subordinate agencies and reflecting physical, cost, material-balance, and procurement aspects of national economic development. It also means strengthening the role of parameters of the national economic plan formulated on a centralized basis, determining the structure of public production, its basic proportions and technical-economic standards and intensification of socialist economic integration.

To this effect it is necessary, above all, to restructure production planning and distribution. On the Gosplan level it becomes necessary to shift the center of gravity from indicators of volume of output to indicators of intersectorial procurements based on a consolidated list (in physical and value terms). This also means higher level of planning of intersectorial relations and transferring the planning of intersectorial relations (and

related production turnover) to ministries and enterprises. This approach resembles what is beginning to take place today in planning the agroindustrial complex: the state plan reflects deliveries to the union fund while everything else is based on the plans of regional and sectorial APK units.

In the final account, in our view, it is necessary to abandon the mandatory approval of value indicators of commodity output as assignments issued to any economic unit (independent of their modification of gross output), determining them on the basis of computations and using them in economic operations, above all in the formulation of national economic balances, and establishing reproduction ratios. The volume of activities of sectors and basic production units should be determined and assessed on the basis of their net output.

Economic studies and practical experience in planning indicate that in order to substantiate ways of solving the most important national economic tasks and establishing a proportionality on the general economic and intersectorial levels, it would suffice for the indicators of intersectorial procurements to include 250 to 300 items of industrial and agricultural output (including 140 to 170 for raw materials and materials; 70-80 for machine building and metal processing; and 40-50 for consumer goods and agricultural commodities). Clearly, the maximal sectorial resources must be determined, on a consolidated basis, in accordance with these consolidated items.

In our view, ministries, associations and enterprises must shape intrasectorial and intraproduction proportions and the breakdown of consolidated indicators of intersectorial procurements and formulate the plans for variety of output, based on the development of horizontal relations between consumers and suppliers and in accordance with stipulated economic standards, levers and incentives. Thus, on the sectorial level of variety, mandatory indicators in physical terms should reach 3,000 to 5,000 items. On this basis the associations (enterprises) will be able to plan a detailed variety of items within their production program taking into consideration consumer requirements as reflected in the contracts.

Unquestionably, this approach presumes changes in ministerial work. Naturally, today as well in principle they are responsible for the actual satisfaction of specific social requirements for certain types of output. However, their actual concern essentially involves problems of volumes of output. Problems of production distribution (which are "closer" to the implementation of the function of satisfying requirements) turn out actually outside the realm of their activities. This is related, in particular, to the fact that ministries and departments are not engaged in balancing. The ministries must study the need for the commodities they produce, formulate corresponding balances and draft not only production plans but also plans for the distribution of output. Such experience has been acquired in the GDR and Czechoslovakia. A major organizational prerequisite for increasing the role of ministries in balancing work is the more definite specialization of the latter and the transfer of such functions to marketing organizations and, in a number of cases, to foreign trade associations.

The form through which achieving the necessary variety in the production plan can be efficiently reached, as we pointed out, must be the development of



horizontal ties on the basis of contractual relations on the ministry level and the level of associations and enterprises. The intrasectorial public production structure is established in intraministerial contracts; the contracts signed by associations and enterprises embody intraproduction relations and proportions and detailed production programs.

The reorganization of planning strongly applies on the level of the basic unit--the association (enterprise). It is precisely on this level that efficient economic activities take place to meet specific social requirements and ensure the most efficient utilization of resources in economic circulation. "The entire management system must be aimed at increasing the contribution of each economic unit to achieving the supreme objective: the fullest possible satisfaction of social needs. The all-round increase of this contribution with the lowest possible outlay of all types of resources is a mandatory law of socialist economic management and a basic criterion in assessing the activities of sectors, associations and enterprises and all production cells" was the way the CPSU program formulated this matter.

The economic and organizational strengthening of the basic unit created prerequisites for drastically upgrading its role in the formulation of the production program and drafting a detailed list of commodity output (based on general and specific consumer demand), and selecting methods for stimulating and directing the development and updating the production apparatus.

It is, above all, the actual involvement of enterprises and associations in drafting the state plan and their real participation in shaping production programs for the planned period that are of essential significance in solving this problem. It is precisely thus that one of the basic problems of our economy can be solved: the fuller adaptation of the production process to the demands of specific consumers and its increased concentration on end results.

The increased contribution of associations and enterprises to the formulation of plans at all stages and levels of planning has become one of the main objectives in the broad-scale experiment aimed at increasing the independence and upgrading the responsibility of basic production units. In accordance with its stipulations, the formulation of the annual plans of enterprises was based on consolidated assignments for variety of output and economic standards, and economic contracts with consumers.

We can claim with full justification that in the course of the experiment the use at the preplanning stage of economic standards which stimulated the better utilization of resources and the adoption of stressed plans by enterprises were fully justified. It became possible to increase the length of the period for the formulation of the plan by associations and enterprises (by issuing them the control figures formulated by superior authorities earlier than in the past). This made it possible to draw up more thorough "order portfolios" by the beginning of the planned period and avoid work at its initial stages based on the principle of so-called advance orders (or, in other words, under the conditions of the use of material and technical procurements and output and deliveries not on the basis of coordinated plans but guidelines based on past performance). We must emphasize, however, that economic contracts are still being assigned their old role as an instrument for concretizing the plan

as it is being implemented. So far the enterprises have had no real possibility of formulated economic contracts during the preplanning stage.

The line of enhancing the role of the basic unit in shaping the production program for the planned period was systematically followed and developed in the CPSU Central Committee and USSR Council of Ministers decree "On Improving Planning and Economic Incentive and Perfecting Management in the Production of Consumer Goods in Light Industry." It introduces the following basic concept: the production associations (enterprises) within the system of the USSR Ministry of Light Industry will independently formulate plans for economic and social development. The formulation of such plans for the production of consumer goods, their variety and quality will be based on the orders placed by trade enterprises and on the results of wholesale trade fairs. Furthermore, the decree forbids including in the plan the production of commodities by production associations (enterprises) for which no orders have been received from stores (and other consumers) or no contracts signed with trade organizations. The list of directives issued to associations (enterprises) does not include the indicator of the volume of output in terms of value. The cost accounting units determine the amount of procurements (in retail prices) in the annual plans and report the corresponding data to the superior organization. The main guideline and evaluation criterion is the implementation of obligations on the delivery of commodities based on contracts.

Therefore, practical experience indicates that a real enhancement in the role of associations and enterprises in the planning process and ensuring the proper consistency between their production programs and the demands of consumers are possible today only by closely linking the planning process with the system of direct relations and economic contracts. The economic contract must become not only a means of implementing the plan but also a most efficient tool for its formulation on the level of the basic unit. It is precisely contracts, interacting with economic standards (rather than strictly on the basis of economic standards which, converted into planned figures motivate the enterprises to increase their overall output) that can become a base for the independent formulation of production programs by the primary unit and for specifically defining the variety of items to be produced.

In order to provide the cost accounting units with time and information opportunities for the detailed formulation of economic contracts, it would be expedient to organize within the shortest possible time a system of continuing current planning based on the "preplan-plan" system. According to the latter, for the first year a final plan is approved, based on coordinated contractual obligations among enterprises; a preliminary plan is approved for the second year (within the framework of the concretized assignments of the 5-year plan for the respective year), as a foundation for the conclusion of preliminary contracts. This also means the use in economic practice of contractual relations structured on the basis of the "precontract-contract" system, organically included in the system of centralized national economic planning and increasing its flexibility, for in this case the economic contract becomes a means of drafting and implementing the state plan which sets specific parameters for commodity production and procurements, strictly consistent with all substantiated demands of consumers and real possibilities of producers.

With this approach, the plan itself includes conditions needed for its backup with resource and for ensuring the proportionality of output and distribution of specific commodities in the course of its implementation.

The active gradual involvement of associations and enterprises in the formulation of plans and in establishing horizontal economic relations according to the "preplan-plan" and "precontract-contract" system will create, in our view, favorable prerequisites for implementing the stipulations of the 12 July 1985 CPSU Central Committee and USSR Council of Ministers decree "On the Extensive Dissemination of New Methods of Economic Management and Increasing Their Influence on the Acceleration of Scientific and Technical Progress" relative to giving priority in supplying material and technical resources and capacities to construction and assembly organizations and to the technical retooling of enterprises and the building of nonproduction projects by associations (enterprises) themselves, financed out of their own funds and with bank loans. The central planning agencies will be objectively interested in receiving prompt information on the amount of resources used by associations and enterprises for said purposes and the areas in which they have been used. Such information is absolutely necessary in reflecting said needs in the formulated plan.

3

As we pointed out, the most important trend in perfecting planning on all levels of socialist economic management is upgrading the role of economic methods in the formulation and implementation of state plans. Within this context, the June 1986 CPSU Central Committee Plenum called for drastically accelerating the formulation of systems of economic standards and levers. In defining the conditions for the economic functioning of sectors, enterprises and regional units, they are directing all subunits within the unified national economic complex toward the adoption and implementation of stressed plans consistent with social needs. Said system includes prices of basic commodities and rules for price setting of other types of output; areas and conditions of bank crediting; profits and standards governing their distribution (including the procedure for paying for consumed resources); economic standards governing the formation of the wage fund, the production development fund and sociocultural measures and housing construction fund, and the creation of financial reserves from profits of associations and enterprises; and taxes and penalties for nonfulfillment of obligations based on economic contracts.

Directing planning toward the profound scientific substantiation of economic levers and incentives and shifting precisely on this level the center of gravity in managing the basic production link presume essential changes in the methodology, organization and style of planning activities and in the very manner of thinking of planning personnel.

The situation which has developed is that problems of economic methods are usually related in the thinking of economists and economic managers exclusively to perfecting activities on the level of associations and enterprises. In practice a cautious attitude remains toward the idea of enhancing the role of economic methods and standards, considered a "reduction" of centralized



planning. Actually, it is a question above all of a specific problem of centralized planning and management. It was precisely thus that the problem was formulated by the 27th CPSU Congress, where it was especially emphasized that "economic standards are a promising tool in planned management. They flexibly combine the centralized principle in economic management with the utilization of commodity-monetary relations and the law of value. It is important for the central economic bodies, ministries and enterprises to master them to the fullest extent."

The standards express the ratio included in the plan on the correlation between the growth of production and the wage fund and resources allocated for simple and expanded reproduction within the existing production apparatus and shaping some types of financial reserves. Today as well we must be aware of the fact that a centralized system of economic levers must create the type of system which would allow freedom in making specific decisions by the individual units and would irreversibly commit economic units to ensure that national interests have priority in the process of plan formulation and implementation. Major steps have already been taken in this direction. The results of the large-scale 1984-1985 experiment in expanding the rights of associations and enterprises were taken into consideration in the formulation of the 12th 5-Year Plan and economic standards were issued to them on time, as part of the planned figures. The standards now become one of the most important guidelines in shaping the plans of associations (enterprises) and in organizing their economic activities.

The experience gained in the application of the new forms and methods of economic management and planning indicated that their universal application requires the formulation of certain general economic prerequisites. This includes, above all, ensuring the balanced nature of economic growth.

Improving the balance in the substantiation of national economic plans and intensifying intersectorial and perfecting sectorial planning are of prime importance on the national economic planning level. Among others, their implementation presumes the following:

First, the development of balance computations for the 5-year plan (based on the application of the central set of tasks of the ASPR of the USSR Gosplan and the formulation of central sets of ASPR tasks by the gosplans of union republics); second, the creation of a set of balance computations for the long-term plan; third, their subsequent integration within the total balance computations of the entire system of national economic plans;

Substantiation and application of methods for the formulation of comprehensive target programs as organic plan components (i.e., eliminating the current discoordination in the formulation of programs and plans);

Systematic conversion from the two-step formulation on the plan on the sectorial level, based on the "national economy-sector" system to a three-step "national economy-intersectorial (multisectorial) complex-sector" system, with a view to increasing the attention paid to intersectorial problems in the national economy. This approach has already been applied in the formulation of the 12th 5-Year Plan for the agroindustrial, machine building, fuel-energy

and transport complexes. The situation calls for refining the structure of intersectorial complexes, mastering new methods for planning their development and developing further the forms of reciprocal coordination of plan indicators for the dynamics of the national economy as a whole and the individual complexes and sectors.

The purpose of the reorganization of the socialist economic management mechanism is to ensure reaching a higher quality standard of scientific substantiation and systematic implementation of a unified scientific and technical, structural and social policy, the deployment of production forces and the harmonious combination of national economic, sectorial, territorial and target-program aspects of planned management.

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## WAYS OF INCREASING MACHINE BUILDING EFFICIENCY

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[Article by P. Belyanin, corresponding member of the USSR Academy of Sciences]

[Text] One of the main prerequisites for the acceleration of scientific and technical progress is making radical qualitative changes in production: a conversion to latest generation equipment and essentially new technologies which ensure the highest efficiency. A key role in these changes is played by machine building, the faster growth of which is called upon to create a real foundation for the technical retooling of the country's production apparatus on a modern basis.

The development of machine building, the CPSU Central Committee conference on problems of radically enhancing the technical standard, quality and competitiveness of produced machines and equipment (8 August 1986) noted, closely combines the greatest problems such as upgrading economic efficiency, implementing the planned structural changes, solving social problems, strengthening the country's defense capability and its international reputation, increasing the attractiveness of our economic examples, and developing trade with foreign countries. Today the powerful and profound qualitative spurt in the sectors of the machine building complex determines most directly the implementation of our party's plans.

The efficiency of machines operating in the national economy and, therefore, the efficiency of machine building output itself, are determined, above all, by technical production standards. The technical characteristics of machines, their reliability and service life above all, today largely depend on the level of technological advance. What is even more important is that essentially new technologies offer extensive possibilities for designers of new equipment and production workers. Therefore, the faster development of technology is a necessary prerequisite in the creation of machines and instruments meeting world technological standards, and ensuring the purposefulness and efficiency of outlays for the technical retooling of production facilities. Advanced and most-advanced technologies (laser and electron-ray, plasma, molding in a state of superplasticity, speed machine processing, etc.) which, as a rule, require essentially different production means, are the base for the creation of advanced technological equipment.

We must also point out that the new technology is the material base for the solution of most important social problems as the essential acceleration of the growth rates of labor productivity, perfecting the organization of labor and production and improving the conditions and upgrading the intellectual standard of labor, environmental protection and increased output and improved quality of consumer goods, and many others. Production efficiency cannot be enhanced without perfecting the technology, reducing the time for the mastery and increased output of new commodities needed for the radical reconstruction and structural reorganization of the national economy.

The study of global trends in the development of machine building leads to the conclusion that instead of manufacturing individual, albeit complex machines, large technological systems (machine systems) have now become the most important type of output in terms of significance and volume. This includes large technological complexes which cover the entire production cycle for certain commodities (such as electronic elements). In addition to working machinery and performing mechanisms, such systems include lifting-transport and warehousing equipment, a complex set of instruments and apparatus for managing, controlling and regulating the system as a whole as well as individual machines and devices. A characteristic feature of contemporary machine building (in the broad meaning of the term, including instrument making and metal processing) is the tremendous range of goods produced, from huge ships and airplanes to miniaturized systems and microelements. Today the creation and production of such items requires a higher standard of specialization and cooperation among numerous enterprises and organizations participating in the development of technologies, designing equipment and producing individual items.

Whereas the faster development of science (with a view to improving machine design) and high perfection of technology are considered the first mandatory prerequisite for the creation and manufacturing of machines on the level of the best world standards, the second no less important prerequisite is comprehensive specialization and cooperation in machine building output. "Increasing item, part and technological specialization and cooperation of production and efficiently combining machine assembly enterprises with specialized plants" is the way the task is now formulated in the Basic Directions in the Economic and Social Development of the USSR in 1986-1990 and the Period Until the Year 2000, adopted at the 27th CPSU Congress.

The item specialization of enterprises engaged in the production of specific types of commodities has become predominant in domestic machine building; part and technological specialization have been developed poorly. As a rule, the large machine building plants are universal, comprehensive enterprises; they include the full set of numerous basic (ranging from procurement to testing) and auxiliary production shops. The variety of basic parts and assemblies manufactured at such enterprises numbers into the dozens and, sometimes, hundreds of thousands of types. During the period of mastery of new items this entails an unjustifiably greater amount of work in designing and manufacturing technological fittings and instruments, disperses the forces of the engineering and technical personnel and creates great difficulties in the implementation of planned assignments for variety and in the application of



the latest technology at the individual work places. Furthermore, the high level of enterprise specialization means, above all, high level of work place specialization.

So far, the problem of intensifying production specialization has been solved extremely slowly. The main reason has been the fear shown by most economic managers of increasing cooperated output involving a broad range of suppliers, due to the low level of procurement discipline. Nevertheless, experience indicates that it is easier for any specialized enterprise to maintain the disciplined, for it has a smaller variety of output.

In our view, ideally a properly specialized machine building plant must be an assembly plant, which receives from related specialized enterprises the maximally possible variety of semifinished goods, billets, parts, assemblies and machine units, complementing items, technological fittings, tools, technical organization items, containers, packaging, spares, etc. The plant's production should consist of the basic parts, assemblies, units and systems which determine the technical standard and operational qualities of the items (productivity, power, durability, reliability, minimal size and weight, economy, presentation and convenience in operating, servicing and repairing). It is precisely in these production areas that the most skilled manpower and most efficient means of production must be concentrated.

The level of production specialization is determined not only by the existence of highly efficient specialized and special technological equipment and experimental and control-testing stands and devices but also the extent of personnel specialization. In turn, the latter is achieved through systematic and continuing study and mastery by specialists of progressive experience in the creation, production and operation of similar systems in the USSR and abroad, a profound knowledge of the requirements of the world market, and the ensured competitiveness of produced items as a result of the high skill of designers, technologists and workers, who should not duplicate foreign models but independently create the best types of specialized output in the world.

In order to solve these most important problems, it would be desirable to release the machine building plants engaged in the production of complex items from secondary production and from dealing with numerous technical and organizational problems related to the comprehensive nature of such enterprises. We know that as much as 90 percent of the cycle of technological preparations for the production process is taken up by designing and manufacturing a great variety of specialized equipment, technological fittings, adaptations and instruments, which takes between 3 to 5 years even at plants with powerful work preparation shops, for all of this is being done by the enterprise itself, involving unjustifiably high labor and time outlays. The negative influence of the universality of many Soviet machine building plants is obvious. In this connection, it would be necessary, in our view, not only substantially to increase the capacity of existing but also to set up networks of new, relatively small, strictly specialized and automated enterprises producing basic varieties of items for general machine building use, as well as special parts, assemblies and semifinished goods based on orders placed by machine building plants. Such enterprises could be part of

large production or scientific-production associations, engineering centers or intersectorial scientific and technical complexes.

Perfecting the organizational structure in machine building is an important reserve in upgrading its efficiency. Therefore, a state (all-union) program for specialization of NPO and industrial enterprises and their scientific research institutes and design bureaus could play a major role in the acceleration of structural changes in machine building. It is precisely within the framework of such a program, essentially aimed at shaping a new structure in machine building output, that, in our view, the "problem of efficiently combining large, medium-sized and small enterprises," formulated in the CPSU Central Committee political report to the 27th Congress, could be solved most rapidly.

Practical experience indicates that specialized production increases labor productivity and quality of output and offers broader opportunities for the application of various forms of automation. The efficiency of specialized production of parts, assemblies and other elements of complex machinery may be illustrated by taking as an example the specialized production of industrial holders and fasteners. Thus, compared with shops and sections engaged in the manufacturing of bolts, nuts, screws and other standard fastening parts at machine building plants, the production of such items in a specialized plant lowers technological labor intensiveness by a factor of 6; output per square meter is higher by a factor of 2.5 and the use of metal is more efficient by a factor of 1.7. Labor intensiveness in the manufacturing of 1,000 pieces of standard coupling nuts ranges between 30 and 35 norm/hours at a specialized plant and between 70 and 200 norm/hours at a machine building plant.

High production specialization at small and medium-sized enterprises leads directly to the specialization of design services and to drastic improvements in designers' skills and in the efficiency of the use of SAPR. Modern technologies and equipment are easier to apply at such enterprises and mastering the production of new items is faster.

The creation of sets of relatively small strictly specialized enterprises, employing no more than 300 people, equipped with high-efficiency devices and using simplified management system becomes, therefore, promising (not requiring substantial additional capital investments and major resource outlays) and can increase the efficiency of machine building output. Let us also emphasize that small and medium-sized enterprises enjoy several important advantages: they allow us successfully to solve territorial-regional problems which cannot be solved by large enterprises (bringing production facilities closer to small settlements, better use of available labor, reduced cadre turnover, etc.); they require fewer funds for technical retooling and converting to different output; they are well adapted to mass and small-series production and can react to technological innovations and changes in demand faster and more flexibly. Long worldwide experience in machine building has confirmed the efficiency and competitiveness of small strictly specialized enterprises using highly automated production facilities.



The increased level of specialization and cooperation of production in machine building is entirely consistent with the main trend in its development: the steady and rapid increase in variety.

For a long time the small-variety mass and conveyer-belt production was considered a model of high technical and organizational standards. Today series and small-series production of large and ever growing variety of output predominates in solving the main problems of machine building.

The mass and large-series production of a limited variety of items is characteristic of sectors such as automobile manufacturing, tractor and agricultural machine building, the production of bearings, instruments, clocks, electronic elements, etc., in which high level specialization of work places (permanently assigned operations to individual work places) is inherent. The share of automated production processes (with specialized and special equipment and fixed programming lines with cyclical automation) account here for 60-85 percent.

However, today mass production in machine building accounts for no more than 20-25 percent. The remaining 75-80 percent is accounted for by items of series, small-series and individual manufacturing, where the level of specialization of work places and automation is significantly lower. Such production is the distinguishing feature of contemporary heavy machine building, shipbuilding, machine-tool building, construction-road, and chemical machine building and others.

A study of the trends of global machine building indicates that the significance of serial and small-series production with a great variety of output will continue to increase as a result of the constant changes in the purposes, design and parameters of machine equipment. It is also important to emphasize that multiple-variety machine building output today seems to concentrate within it the most advanced revolutionary technical devices and technologies. It is precisely here that automation is based on universal and specialized machine tools with numerical programming (ChPU), processing centers, automatic machines and groups of automatic machines controlled by computers, and industrial robots. We must also take into consideration that increasing the variety of items is gradually being extended to traditional mass production sectors, such as automobile manufacturing, where basic machine models are produced, as a rule, in a variety of modifications.

The most important consequence of the scientific and technical revolution in the past 15 to 20 years has been the drastic increase in the technical and production possibilities of machine building, the growth of which was based above all on the extensive application of microprocessors, technological equipment with ChPU of a number of varieties, industrial robots, advanced production organization methods and, finally, the use of new highly efficient materials and technologies. All of this can substantially and rapidly improve the consumer features of machine building output and systematically to upgrade its quality.

Today the main requirements concerning modern progressive and highly efficient machine building output, regardless of its type, are the following: first, flexibility and maneuverability, i.e., the ability quickly to react to consumer demand and to be restructured for the production of new commodities; second, the high skill of workers and engineering and technical personnel and adequate availability of new technologies and equipment, which make it possible to produce items of the highest possible quality, reliability and service life and, third, economy, which ensures high national economic results of the utilization of such items.

The consistency of machine building output with high world standards can be achieved only by strictly observing all such stipulations. The best way to meet them is through flexible automated production (GAP), based on flexible production systems (GPS), which creates possibilities for the fast restructuring of technological processes and retuning of equipment for the manufacturing of new items with improved consumer qualities. The ability to manufacture goods of any variety, within the stipulated parameters of their features in any amount and with specified differences within this amount, must become a standard in contemporary machine building.

Today successful competition on the world market and high efficiency are possible, in our view, only with a type of production which is flexible, steadily adaptable to the needs of the national economy and population, dynamic, and ready at any time rapidly to convert to the production of items with improved consumer qualities. So far, production facilities of this kind found in our country are inadmissibly few. In frequent cases, plant directors who undertake the production of new items consider themselves almost heroic. Yet this entails no heroism whatsoever. Today the periodical restructuring of production facilities for the production of items with new qualities (let us reemphasize this) becomes the standard, an ordinary obligation, despite the ever increasing variety and complexity of items, resource limitations and other difficulties. The fact that a certain adaptation is needed in this case is a different matter: increasing the variety of technologies applied (particularly the new resource-conserving or those upgrading production quality), promoting comprehensive automation, reducing the amount of manual labor, and increasing specialization and cooperation (not only on the enterprise scale but on the scale of the entire country).

Let us especially note that flexible automation of varied output is now considered worldwide the main trend in the development of the production base in machine building. It is precisely flexible automation that (presently) creates the best conditions for all-round production intensification, the greatest possible material and labor savings, reduced production costs and faster recovery of capital investments, and higher labor productivity.

Prerequisites for converting to flexible automation in domestic machine building and, particularly, for extensive automation of machining (still the most important part of the production process) are already available.

Today our country has more than 200 flexible production systems for various technological purposes. Practical experience proves that within such systems

ChPU machine-tool productivity is higher by an average of 50 to 100 percent compared to that with the same quantity of equipment with programmed control working separately. At the same time, the production cycle is shorter and the respective volume of unfinished production is reduced; less personnel is needed. Another very important feature is that GPS production efficiency does not depend on the size of the production series.

Flexible automated systems enable us to organize small-series production based on the progressive "do it on time" principle, according to which each part is made and delivered within a strictly stipulated amount of time, dictated by the pace of output of the commodity as a whole. In this case materials and all other components of the production process (raw materials, complementing items, etc.) are supplied to the shop only as necessary and are not stockpiled, thus achieving substantial savings in materials and production areas, for the need for a variety of warehouses and buffer stockpiles, which lead to substantial losses consisting of unfinished production, and which reduce the need for turnover of materials, is eliminated.

Today machining GPS has become most widespread in our country and abroad. However, the development of flexible production systems has been undertaken also in stamping-procurement operations, welding, casting and assembling. Assembling flexible production systems are essentially based on the use of robots. In addition to assembling, such robots load the parts and check the assembled machine units. Priority in creating assembling and other robots is given to modular structures, thereby lowering designing and production costs of such robots. Practical experience indicates that GPS are most effective when applied in shops or on a higher level on the basis of two- or three-shift work. Unless flexible automated lines, sections and shops are oriented toward such work (with a minimal number of people working the second and third shifts), their profitability becomes problematical, as is the case with a single shift use of flexible production modules (GPM).

As we pointed out, flexible multiple automated production contributes to the utmost to solving the difficult problems related to developing modern machine building, including the task of increasing labor productivity. What specifically does the creation and application of flexible production facilities promise for the immediate future?

Above all, increased intensiveness in equipment use. The coefficient of machine tool use in GPS is at least doubled. Currently, because of insufficient reliability and occasionally faulty organization of their use, the load coefficient of ChPU machine tools does not exceed 0.4-0.6; in GPS this coefficient can reach 0.8. The shift coefficient in flexible production improves by a factor of up to 2.5-3, making the round-the-clock use of the equipment possible; currently, in the various sectors, it does not exceed 1.3-1.6. As a whole, according to the specialists, use of flexible automation increases equipment output by a factor of 2-4.

The use of GPS enables us to reduce the number of produced parts. As we know, in small-series and series machine building, parts are manufactured in batches



meeting production needs for 3 to 6 months; under GPS conditions the production of such parts could be reduced to meeting 15-day requirements, thus shortening the cycle of machining of parts by a factor of 4-10.

Specialists in domestic machine building have been working on flexible automation for more than 15 years, understanding and partially solving many difficult problems. GPS are being developed and used in many machine building sectors. Where should they be used most efficiently and what criteria should be applied in determining the need for a flexible production system?

The main criterion in answering such questions is economic expediency of outlays and reaching the highest possible efficiency of capital investments. World machine building practices have repeatedly indicated that the use of GPS is expedient if during the year each of the five to 100 modifications of a part is manufactured in batches of from 50 to 2,000 pieces. GPM becomes efficient with an annual production between 20 and 500 pieces of parts ranging from 40 to 800 types and sizes.

We should stipulate that the use of automated or automatic technological equipment does not exclude the use of universal equipment with manual controls. However, the latter becomes more efficient when equipped with ChPU only if programming the machining of parts needed in very small amounts is not cost effective (and the quality of the parts is, as a rule, worse).

The high percentage of automated equipment, particularly if a significant part of such equipment is operated not as independent units, but as part of automated production systems (automatic lines, computer-controlled groups of equipment, comprehensively automated shops and sections) is the most important feature of high technical standards in machine building output. We must emphasize, however, that at no given stage in enterprise development could such a standard be considered stable and permanent for several years in advance. Therefore, the task is to create and develop a reliable national economic mechanism which would ensure not only the required technical standard of output but also the pace at which this standard is improved.

Flexible automation has raised a number of difficult problems. In particular, it raised quite sharply the question of upgrading the reliability of all technical flexible means of production. Today a system of ChPU machine tools operating without breakdowns frequently lasts no longer than 35 hours. This is an inadmissibly short time. By the end of this 5-year period, the new generation of ChPU systems, now developed by the Ministry of Machine Tool and Tool Building Industry, will reach the level of 5,000 hours in terms of this indicator. By 1995 work without breakdowns with a multiple-shift operation of the equipment should reach the 8,000-10,000-hour level. In the future we must reach an even higher level of work of all technical parts of flexible automated systems without breakdowns. Otherwise they would be inefficient.

Another essential problem is that of drastically extending equipment machine life combined within flexible production systems. At the present time, the light load of available automated equipment still satisfies the needs of the production process to some extent. If a machine tool is operated with a 0.4-0.6 load coefficient it breaks down relatively rarely and must be repaired



usually after 3-4 years. However, suffice it to run it on a three-shift basis, it breaks down more frequently and requires constant repairs.

We must point out that making a machine which can work impeccably 24 hours a day for a number of years is a difficult and, frequently, impossible task. That is why a new concept is being developed to ensure a longer machine life of the equipment. For example, a procedure has been suggested according to which, regardless of the technical condition of the machine tools in a flexible machining system, a machine tool which has worked 6,000 hours (1 year) must be mandatorily replaced. Naturally, such a machine tool will not be discarded but repaired and subsequently used elsewhere, where reliability requirements are lesser. Unless such machine tools are mandatorily removed, the flexible production system will become inefficient. In order to increase the machine life of GPS other new solutions will be applied, related to the extensive use of new materials in technological equipment.

The question of instrument supply is exceptionally grave in terms of flexible production facilities. In order to automate the change of instruments, its durability and reliability must be increased by a factor of 5-8; the dimensions and control of machined parts and tools must be automated. This requires adaptable systems and developed program support for automatic equipment control as well as systems of built-in control and measurements, and automated means and systems for diagnosing failures and irregularities.

The increased complexity of the design of produced machines and the use of new materials in their manufacturing and production automation, based on modern technology, require an essentially different approach to technical production control. Essentially, this means that today we must control less the part than the process of its manufacturing.

Increased labor intensiveness and amount of control are determined, above all, by the steadily increasing demands concerning the quality of output. This leads to a significant increase in controlled parameters of machines and instruments. Whereas in the past control over the size of parts and assemblies predominated in the overall volume of control operations, today, as a result of increased requirements concerning reliability, machine-life, economy, convenience and safety of operation of machines and systems, priority is given to control over the structure and composition of the metal, alloys, nonmetallic materials and quality of ingots and semifinished items; control of dependability of the work of different systems, instruments and apparatus; control of sturdiness, seals, sound permeability, ray permeability, absence of harmful radiation and many other specific parameters of modern machinery. According to the specialists, compared with 1970, by 1990 the amount of control in machine building must double at a minimum. The level of automation of nondestructive control (radiation, acoustical, electric, heat, holographic and other methods as part of a technical diagnostic system) must increase by 45-50 percent by 1990.

Other urgent problems are improving the precision of semifinished parts used in automated production; minimizing production waste in GPS and its automated removal; substantially upgrading the standardization of all production elements (purpose, technology, fittings, instruments, etc.).

Equally important are problems of cadres for flexible automation. Many machine building enterprises are experiencing an "acute technological insufficiency," if one may say so. This situation must be corrected, the more so since the role of technologists in the development and manufacturing of competitive goods has increased greatly. A large number of specialists who can develop and operate GPS must be trained and retrained within a short time. For example, an ordinary designer can no longer meet the requirements of flexible automation, for this requires a designer-technologist who can also act as production organizer. In order to ensure the efficient use of GPS we need systems technicians, mathematicians, programmers, workers in electronics, tuners, etc. Energetic efforts in this area are one of the most important components in increasing production efficiency.

Flexible production automation increases requirements not only concerning reliability and useful life but also the use of robots. Until quite recently some specialists considered industrial robots essentially as transport machines and as automatic facilities in hauling materials, semifinished items, instruments, etc. In flexible production, however, robots are needed not only as transport means but also as instruments for machining, welding, riveting and other basic production operations. The reason is that a number of technological processes can be automated only with the help of industrial robots (such as lining, assembling, plasma spraying, coating the surfaces of parts through other methods, shop-blasting reinforcements, and other technologies). The use of flexible automation, therefore, calls for the creation of a broad range of robots for a great variety of functions, as well as corresponding microprocessor control systems.

The use of electronics in the production of machines and equipment is of tremendous importance in upgrading machine building efficiency in all sectors. It is precisely computerization that ensures today the uniformity of the entire production cycle in machine building enterprises and adequate decision-making centralization and streamlining. This 5-year period new generations of computers of all types will be created and used, ranging from supercomputers to personal computers for school training. Total production of computer equipment will be increased by a factor of 2.4 over the 5-year period.

Computers yield major technical and economic results in automated design systems (SAPR) in terms of complex machinery (machine tools, big passenger ships and airplanes, presses, etc.) as well as in production elements. Another most important area of their application is the automation of all types of control such as production control (ASUP) and preparations for it (ASTPP), technological processes (ASUTP) and their individual mechanisms, work groups of technological equipment and work groups of technological machines operating as single units. This includes automated group control of ChPU machine tools (as the first phase) and flexible production systems (as the higher phase). Computer-controlled machines used in controlling and measuring parts and assemblies, systems and apparatus for machine testing and the use of computers in training operators and technical personnel are highly effective.

Computers are also irreplaceable in solving a variety of organizational and engineering problems, such as establishing the standard labor intensiveness

and metal intensiveness of items, selecting optimal technological processes, computing and automating the cutting of materials, computing equipment loads, transport flows, repair schedules, warehouse stocks, schedules for the production of basic items and component parts, computing the marketing of finished products, etc. Finally, computers are extensively used in measuring instruments and in technological equipment (in devices for electron-ray welding, plasma processing, laser cutting and reinforcement of materials, systems for data gathering on the external and internal status of production machinery, etc.). Briefly, today electronics begins to permeate the entire fabric of machine building. Naturally, this creates specific problems of upgrading the efficiency with which computers are used.

Currently the optimal ratios in the production of computers in the world are the following: very large computers, 1.5-3 percent; minicomputers and medium-power computers, 10-12 percent; microcomputers and microprocessors, which are most extensively used precisely in machine building sectors, 80-85 percent. The immediate future in the development of machine building calls for an abundance of microcomputers on the desks of technologists, designers, production organizers, mathematicians, standardizers and dispatchers. Today more than one-third of all microcomputers are used by such personnel.

However, practical experience indicates that the use of computers outside systems and without the necessary complete data banks and developed, complete and accessible software is not only undereffective but, in some cases, inexpedient. Furthermore, according to the specialists, the level of today's availability of programs in machine building does not go beyond a few percentage points of our needs and possibilities. Therefore, the organization on a national scale of the creation of systems of data banks, software and conversion to the extensive use of computer networks on the shop, plant, sectorial and other levels is a matter of exceptional importance and truly an imperative of the time.

In order to solve the major and difficult problems facing domestic machine building, we must have a clear idea of the true state of each sector and type of output and the level which must be attained. As was pointed out at the CPSU Central Committee conference on problems of radically upgrading the technical standard, quality and competitiveness of produced machines and equipment (8 August 1986), "Each ministry and area must have a precise and scientifically based forecast for the development of all types of equipment on a long-term basis, and be guided by it in the formulation of the 5-year plans for the creation of new types of items." Naturally, such forecasts are possible only if a sectorial institute or design bureau has a system for objective evaluations of the technical standard in accordance with the dynamics of the scientific and technical revolution. Long experience has proved that the science of technology can have a decisive impact on machine building production if it successfully meets three of its main obligations: ensuring the high technological standards of new machines, steadily perfecting preparation for and the process of output and, finally, developing new technologies and specialized (meeting sectorial requirements) high-efficiency technological equipment, extensively used. On this basis, it is precisely the sectorial technological scientific and research institutes which must rapidly develop highly efficient equipment for the enterprises in their sector, for



progressive technology comes with the new equipment. There is simply no better way for truly bringing sectorial science closer to production.

Recent practical experience has proved that in order to master the production of new items within a very short time technological preparations for series production must be comprehensive automated. This problem must be solved above all by the sectorial technological institutes. Many of our machines become hopelessly obsolete before they have reached the consumer, due to the long time needed for the mastery and development of series production. This abnormal situation can be corrected only by automating production preparations. This means, above all, the extensive use of automated designing of all of its elements, which would reduce preparation times and cycles for mastering the production of new items by several hundred percent. We are doing this extremely slowly, although the automation of technological preparations in machine building sectors is expanding and combining scientific research institutes, design bureaus, and series manufacturing facilities within unified systems. Some of the technical documentation submitted to series-manufacturing enterprises consists of machine-stored information, including control programs for the manufacturing of basic parts and assemblies with automated equipment. Naturally, this directly accelerates the production of new items.

The machine building industry is already able to do without hard-copy technical documentation. This is not utopia but a real possibility in our electronic century. Less paper means less technical bureaucratism.

Science planning is an important problem. Today scientific technological institutions are planning the variety of projects and their volume in terms of rubles. They must fulfill their volume plan, for which reason they must spend all the money they have been allocated, and they do. We find saving money counterindicated, although for a number of years we have been discussing the planning of cost reduction. We must convert faster to planning science in terms of quantitative and qualitative indicators of resource conservation and the creation and use of new machines and equipment, i.e., on the basis of end efficiency indicators, rather than in terms of occasionally wasting money.

Today the country's machine builders face a task of a truly revolutionary nature, with no practical analogue. A great deal of work must be done in order to reach the highest worth level in 6 to 7 years, ensuring the more extensive use of the achievements of science, studying the requirements and the situation on the world market, drastically reducing the time for developing and mastering the production of new items, improving their quality, organizing the servicing of machine customers and skillful advertising and, finally, increasing direct relations between producers and consumers of machines, whose interest must become law to the producers.

The machine building complex has been provided with everything which our economy has been able to supply in order to ensure the fuller utilization of its substantial technical and intellectual potential. Here the key to success lies in the full mobilization of efforts and the total dedication of the tremendous army of workers, engineers and scientists.

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'TAKING A NEW LOOK...': AN ECONOMIST'S THOUGHTS

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[Article by O. Iatsis, doctor of economic sciences]

[Text] "Proceeding from the demands of reality, we must take a new look on some theoretical concepts and ideas," the CPSU Central Committee political report to the 27th Party Congress stipulates. "This applies to major problems, such as the interaction between production forces and production relations, socialist ownership and economic forms of its realization, commodity-monetary relations, combining centralism with the autonomy of economic organizations and others."

Taking a new look at existing concepts....is, perhaps, the most difficult aspect of the efforts to reorganize our economic life, as earmarked by the 27th Congress. It is the most difficult and most necessary work if we consider the complexity of the tasks facing the economists (theoreticians and practical workers). Let us recall the demands for the future mechanism of planned management and economic incentive formulated by the congress: total cost accounting for enterprises, wholesale trade in means of production, extensive use of standardizing methods for planning and incentive, letting enterprises handle current production management, upgrading the role of assessing production quality, and concentrating the efforts of central economic authorities on strategic tasks. In order to structure a system consistent with such requirements a totally radical reform is needed, for in his case a cosmetic repair of the old mechanism will not do.

Inevitably, work on such a scale will require action on different levels, above all that of general political decisions, followed by legal regulations drafted by economic authorities and, finally, on the level of economic practice. On the political level, the 27th Congress called for restructuring the economic mechanism more decisively than ever before. For the first time, the features of the new mechanism have been formulated as a comprehensive complete system. The road to reform has been opened and the time has come to follow it. However, as M.S. Gorbachev noted at the June 1986 CPSU Central Committee Plenum, "The reorganization process is experiencing hitches at enterprises, in management, in scientific institutions and creative collectives and in the activities of party and soviet bodies; the old approaches are tugging back and the power of inertia remains strong."

Economists--theoreticians and practical workers--play a great role in surmounting obsolete mentality. Today we need a broad systemic view on reality in the study of the basic shortcomings of economic life and in seeking ways for their elimination. It makes no sense to suggest the use of individual "bolts" and "nuts" without an idea of the nature of the entire mechanism of economic management under the conditions of intensification. In defining the structure of this mechanism today, after having lost years in idleness and while the required restructuring is dragging out, economists have no time for painstaking searches by trial and error. In order for the reform really to contribute to the acceleration of economic growth ensuring its success is insufficient. It is also important for the cost of this success not to be excessive, both in terms of the cost to the national economy caused by possible errors, and the time spent in problem solving.

#### What Experience Tells Us

The latter is particularly important. The time spent in economic quests, discussion and experimentation is somehow ignored and not considered accountable. However, in this case time is money in the straight meaning of the term. Time wasting is inevitable unless we eliminate a sterile repetition of something which has long been discussed and experimented in the past. Losses in what has been grown, found and created are as possible in science as they are in grain growing. Whenever such losses occur we must once again rediscover scientific truths. In the science of economics such recovery is particularly costly, for in this area of knowledge research frequently takes place not in laboratories but in actual life, in the entire national economy. Perhaps such losses could be reduced if we could learn to remember in the course of our daily scientific and practical work and make practical use of the entire wealth of our past experience.

We must remember the practical experience in economic thinking in our country, since V.I. Lenin and his closest fellow workers made their contribution to economic science and practice. Incidentally, so far the science of economics has virtually ignored the fact that a great deal and still largely topical contribution to theory was made by major practical economic workers of the 1920s, who hardly considered themselves scientists: F.E. Dzerzhinskiy, G.K. Ordzhonikidze, V.P. Nogin, Ya.E. Rudzutak, V.N. Mantsev, V.I. Mezhlauk and others. Their economic ideas have been studied little or not at all. Historians have paid much more attention to this topic. Their works, however, do not compensate for the lack of analysis of economic ideas.

The economic experience of the period of the Great Patriotic War is also topical in its way. This may seem strange to anyone who considers the experience of that time merely as consisting of exceptional measures to strengthen direct management by command (which, unquestionably, occurred and was justified and which, just as unquestionably, cannot be used today). But there was also something else: the amazing efficiency of plans and actions, extreme flexibility of the production structure, maximal autonomy and personal responsibility of managers of large enterprises for end results, and the ability to solve major problems with few resources.

Nor should we forget the debate among political economists at the beginning of the 1950s and, above all, the errors and simplifications, for the reason alone that some authors (albeit few today) still tend to underestimate kolkhoz-cooperative ownership and acknowledge the existence of commodity-monetary relations only with a heavy sigh. Let us also not forget that this debate put an end to some even more primitive earlier views, such as denying the objective nature of economic laws.

Naturally, however, what is most topical now is the experience of the reform and economic discussion of the 1960s, and the study of economic development in subsequent years. It is paradoxical but a fact that there was no systematic scientific and practical study of this reform. The fragmentary analysis of its positive impact on economic developments during the 8th 5-year period is entirely obvious today. Virtually no studies have been made of its shortcomings and reasons for its incompleteness, which leads us today once again to put the reform on the agenda. "There can be no progress unless we seek answers to new questions of economics and technology from the experience of the 1930s, 40s, 50s and even 60s and 70s," M.S. Gorbachev said at a meeting of the aktiv of the Khabarovsk Kray Party Organization. Nevertheless, some economists are essentially duplicating the prescriptions of the beginning of the 1960s, which even then were considered inadequate. Many have already forgotten the economic debate of the 1960s. How else can we explain the fact that in a number of recent publications this debate is restarted by no means from the high mark it had reached but with a repetition of some initial and later discarded views which do not help us to solve the problems set by the 27th Party Congress.

Let us recall the first step of critical economic thinking: perfecting the instruments (plan indicators) through which enterprise activities were controlled "from above." This primary critical approach still failed to touch upon the main shortcoming of the economic mechanism: ignoring the interest of enterprise collectives. Although words were heard on increasing interest, essentially, as in the past, the emphasis was not on reformulating the interest of enterprises but on finding a more reliable way of forcing them to act against their own interest.

What was the basis for the system of limited cost accounting, which essentially developed during the prewar 5-year periods? It was based on the assumption that the national interest can be expressed by the national economic plan alone, drafted by the central planning and management authorities. Let us note that this assumption was essentially accurate in formulating objectives of economic development, precisely when this development was subordinated above all to the defense of the country or preparations for defense. The situation changed when the range of objectives of economic growth was broadened and when upgrading production efficiency with a view to meeting the needs of the working people became the most general assignment. Under the new circumstances, the existing structure of relations (production plans and resource support secured by the "center," the enterprises fulfill such plans and the "center" assesses the implementation and rewards correspondingly) objectively encouraged group interests of enterprises and, subsequently, departments. What was asked of the enterprises was not to meet the demands of the consumers but to fulfill the plan. It is



true that the assumption was that the plan expresses social needs. However, the mechanism excluded the consumer from the planning process (in this article the term consumer is applied essentially to the enterprise in its relations with suppliers and, respectively, consumption refers to industrial consumption. Relations between supplier and individual consumers must be largely structured on the same principles. However, they also include major specific differences which require a separate study of this set of problems).

It was only the producer and the department who actively participated in planning and who needed one thing only: an easier plan and more resources. The plans met fewer and fewer social needs, being increasingly directed toward surplus production of resources for their own sake. The interests of the labor collective increasingly clashed with those of society, becoming antisocietal. Under this situation, all that was left was to "turn off" the interest of enterprises, relying on administrative production control alone. This was the root of the main fault of the economic mechanism, which hindered the implementation of the principle of material interest on the part of the producers in the results of their labor, and the use of the main advantage of socialism which, as Lenin emphasized, was "for the first time after centuries of work for others, after forced work for the exploiters, the possibility of working for oneself, working on the basis of all the achievements of the latest equipment and culture" ("Poln. Sobr. Soch." [Complete Collected Works], vol 35, p 196). All other numerous shortcomings of the economic system were subordinated to this essential and crucial one.

A general understanding of this main fault of the old economic mechanism was not reached immediately. Therefore, as the first impetus in the study of economic relations (and not only the structure of the administrative apparatus, as was the case in 1957 with the creation of sovnarkhozes), the criticism of enterprise plan indicators was useful. The criticism of "gross output" was followed by extensive experimentation with the use of different indicators and the substantiated conclusion that the main problem was not that of indicators although, naturally, they needed improvements as well.

As early as 1964, KOMMUNIST published a familiar article by Academician V.S. Nemchinov "Socialist Economic Management and Production Planning," which showed the high degree of maturity reached by the science of economics. Instead of the usual administrative-distribution mechanism, the author suggested more complex and efficient tools, such as economic contracts, long-term economic standards, wholesale trade, combination of the plan with prices as regulators and a conversion from planned assignments to planned orders.

Let us note that these ideas have not been implemented to this day. Unfortunately, this is true. However, equally important is the fact that today they have become almost universally accepted. As late as the start of the 1960s frequent articles came out insisting, for example, that the use of payments for production assets or planning and stimulation based on profits and profitability would directly lead us to capitalism. As late as 1967 it was possible to publish in serious scientific journals articles in which Academician L.V. Kantorovich and Professor V.V. Novozhilov (who were then awarded the Lenin Prize) and other scientists were being described as "monopolists-econometrists" and "mathematicians-extractionists." Linear



programming was proclaimed the "businessman's primitive method" in the competitive struggle and the entire economic-mathematical area as applicable only where "vestiges from the past" existed.

The concept of the national economy as a complex system, the hierarchical levels of which are distinct qualitatively and not only in terms of their dimensions, logically led to the idea that the process of national economic planning cannot be a simple apportionment from top to bottom of uniform related indicators. Such a method, which may meet some objectives within an enterprise, cannot be the base for formulating the plans of the enterprise (association) itself. It is true that the practice of economic and sectorial planning has been gravitating so far precisely toward such a method. However, this is also one of the basic reasons for inefficiency and disproportions.

Instead of an "absorption" system (in which the enterprises are not interested in maximal output while superior authorities try to extract such output from them by issuing stressed plans), what was essentially offered was a "pressure" system: a system according to which the enterprises would be interested in their work, would offer to the consumers numerous suggestions and the superior authorities would regulate their contacts and formulate basic ratios on the basis of their economic decisions. The center of gravity of the efforts of the planning authorities would shift to determining the economic interests of labor collectives. This would, above all, be a manifestation of real centralism in plan management. In that case economic standards would replace volume as a basic tool.

The economic management system based on the fuller utilization of commodity-monetary relations was reflected in the documents of the March and September 1965 CPSU Central Committee Plenums. In practice, at that time only some of it was applied. Returning to it more than 20 years later, however, we can see that it can serve (and, actually, served many economists) as a practical work system for analysis, offering a common approach to the hundreds of economic experiments conducted until then and to the entire practical experience in economic management, including the attempt at reform in the 1960s.

This system made it possible to determine the significance of the daring experiment of the Moscow and Leningrad automotive enterprises in 1965, the broad experiment of the Moscow construction workers, the experiment of the Shchekino workers and their followers, and the various types of experience of a collective contracting order of all types, including the Kaluga variant of brigade self-government. Such a system of economic thinking helped to yield an accurate (negative) assessment of the extensive testing of the indicator of normative value of output and other efforts to improve volume indicators which, essentially, was nothing but a relining of the "gross output" system. It helped to identify the true reason for the harmfulness of the "gross" approach: the main difficulty is not the fact that the apportionment of volumes of output "from above" is inaccurate (due to the influence of material intensiveness or other reasons) but the fact that such apportionment exists and is used as a base in planning.

It has now become clear that what was initiated in the 1960s (and, unfortunately, interrupted in the 1970s) was the shaping of a system of

planned management consistent with the requirements of the new stage, the stage of intensive growth, although an integral formulation of the task of intensification did not exist at that time. The documents of the 27th Party Congress express contemporary requirements to their fullest extent. They mark the end of long arguments and interrupted experimentation and the beginning of a practical building of a new system--the system of a radical reform. As we convert into economic practice the far-reaching essential stipulations of the congress, it is very important not to lose our way, not to abandon the level of requirements concerning the economic mechanism which was formulated at the congress and not to allow anyone to replace the reform by putting a new coat of paint over the old building. The obligations of economists in this work are difficult. The main trend, however, is well-known: we must develop a planning system based on total cost accounting at enterprises (associations) unlike the previous limited cost accounting system.

### All Links in a Chain Are Important

The word system implies a mandatory concept. It presumes a structure in which all elements are essential. For if a bucket leaks at even a single spot the fact that the rest is sealed makes no differences: all the water will leak out. The same applies to an economic system: the cost accounting effect would leak out wherever there is a gap within the system. It is important in a complete system, for the wages of an enterprise collective directly depend on final results. Otherwise no assessments of the results would influence output. It is important to determine the way the cost accounting results are developed and whether they encompass all outlays and all results. It is important to establish who is rating the results--output and services, their quality, quantity and price accuracy (obviously, the most accurate assessment can be provided only by the main interested party--the consumer). It is important to determine the way in which outlays are measured, not departmental but social outlays. This means that it is equally necessary to organize prices, credits, taxes and payment for resources. The efficient utilization of commodity-monetary relations is inconceivable without prices reflecting not departmental but socially necessary outlays.

All parts of a system are important. Nevertheless some areas are especially important, even crucial. Thus, in a diagram which covers all operations, a "critical way" is especially singled out: operations which determine the overall results of the work. The structure of a cost accounting planning system also has its main links which are its "critical way." We shall take as an example a major problem which was on the agenda of the 27th Congress: wholesale trade in means of production, as we consider the intensification of such links and their connection with the other links of the system.

Unquestionably, wholesale trade in means of production is part of the "critical way" of the reorganization. This is confirmed both by the study of present practical and all previous experience. In all major changes in economic policy wholesale trade has been one of the main problems of the reorganization. The very first Soviet economic reform--the conversion from "war communism" to the NEP--involved not only replacing the requisitioning of farm produce with tax-in-kind in agriculture but also the distribution of goods based on main administration orders with wholesale trade in industry.

Lenin's appeal to the communists at that time is well-known: learn how to trade. Less known is the tremendous work to implement this slogan, which was carried out in 1924-1926 by F.E. Dzerzhinskiy, chairman of the USSR VSNKh. Particularly interesting was the debate which developed on the eve of industrialization, concerning so-called strict deliveries. The documents clearly show that the reason for this dispute was the clash between Dzerzhinskiy, who headed industry, and Kamenev, who headed the STO and, subsequently, the People's Commissariat of Trade. Dzerzhinskiy claimed that "we do not have in our hands all the elements of the market, for which reason we cannot draft rigid plans...." The plans for commodity procurements--what, when, where and how much--could be used only as guidelines. Industry had to have commodity reserves and be in close touch with the market.

The logic used by Dzerzhinskiy's opponents reflected the departmental interests of the trade system. Centralism in their management activities was reduced to the fact that the department single-handedly drafted rigid plans for commodity procurements in terms of deadlines, volumes and variety. Such "accurate" plans concerning things which could not be known precisely ignored the real nature of the market which they were called upon to regulate, for which reason there was no actual regulation. The social (and not departmental) objectives of the plan were not attained. Commodities were delivered not to the working people but to middlemen who regulated the market according to their own interests. Dzerzhinskiy said that "planning...in the sense of issuing instructions as to what to 'ship to a certain place in so many freight cars' was a mockery of planning and...in practice yielded the precisely opposite results" (TORGOVO-PROMYSHLENNAYA GAZETA, 7 November 1925).

The critical speeches by V.N. Mantsev (Dzerzhinskiy's closest VSNKh associate) indicate that in 1928-1929, i.e., after Dzerzhinskiy's death and after Kamenev had been removed from leading positions, the line of "strict procurements" gained the upper hand, which caused great harm to the national economy. "The main line...led to the steady reduction of ties between industry and the market and to replacing direct contacts between syndicates and the entire market periphery with methods of centralized ties between industry and the superstructural organizations..." the report on the results of the development of the syndicate system and its tasks read. In 1929 Mantsev noted the "excessive centralism and danger of monopoly corruption of our commodity delivery system" ("Sindikatskaya Sistema SSSR" [The USSR Syndicate System]. Materials of the Syndicate Council. Moscow, 1928, p 8; Moscow, 1929, p IV).

Subsequently, economic and political reality gave priority to other concerns and the instructive debate on "strict procurements" was forgotten. Reality, however, made people recall the shortcomings of distribution and priorities of trade at most unexpected times, as during the Great Patriotic War, when demand for extraordinary efficiency in the organization of new production facilities clashed with the inevitable procurement centralism. Ivan Gudov, the noted prewar Stakhanovite, who held a high economic position in machine tool building during the war, recalls the way in 1942 he was approached by I.A. Likhachev, the automotive plant director, with the suggestion to exchange surplus machine tool units for surplus trucks (the automotive plant, which was evacuating equipment to the east, was instructed to resume production in Moscow as soon as possible).



"What about state funding?" Gudov asked.

The noted director answered:

"You will see that a time will come when we shall forget such funding entirely. The consumer will be dealing with the manufacturer."

The 1965 reform called for "organizing wholesale trade in means of production," later codified in the directives of the 23rd CPSU Congress.

The decisions made in the 1960s on wholesale trade remained unimplemented, which was largely the reason for the overall lack of completion of the entire reform. The 27th Congress did not simply reiterate the task. It formulated it not as a separate step but as part of a number of other closely interrelated problems, the combined solution of which would ensure the appearance of the new mechanism. The reorganization of planning of the agroprom, already under way, gives farming enterprises the freedom to sell their surplus after meeting the state procurement plan, and the new planning system in light industry gives its enterprises the right independently to plan variety based on trade orders. Naturally, these are merely the first steps and the main work in the organization of wholesale trade is still ahead, although a shift from words to actions has already begun.

The need for an immediate and informal solution of this complex problem is confirmed not only by the experience of the past but (mainly) by contemporary economic practice. The participants in the even most radical current experiments--the collectives of the VAZ and the Sumy Machine Building NPO imeni M.V. Frunze, who are working on a self-financing basis, can see that the new methods cannot display their full advantages until enterprises have been granted total autonomy in defining the variety of output based on consumer orders, and in marketing and purchasing. Even with substantial funds earned through good work, based on the new system, the enterprises (associations) can by no means always purchase the necessary equipment and materials or acquire the services of a construction organization. Furthermore, they are not always able to market the new items they have mastered and which are needed by the consumers. Occasionally, the departments even persecute those who produce better goods needed by the consumer and, consequently, by society, but which complicates the implementation of departmental plans. Such was the case with the familiar story of the interim director of the Cherkassy Plant for Special Technological Equipment, party member A.I. Chabanov, which was discussed at the June 1986 CPSU Central Committee Plenum. All he did was solve by himself (correctly) problems which enterprises should always solve by themselves.

Therefore, the task set by the party congress and the general principles for its implementation are familiar to science and, to some extent, to practice on the basis of some experiments, the study of the past and the experience of other socialist countries. Are we worried about nothing? No, we have something to worry about. The work which lies ahead is difficult, not only as a result of the inevitable opposition of those who are either unwilling or unable to work in a new way. The reorganization of the system of economic relations, without which the normal course of the production process cannot be followed, must take place not as an isolated experiment but throughout the



national economy of this huge country. Objectively, this is a very difficult and responsible project. Even more important is the common accurate understanding of what must be done, how and why? This makes even more alarming some (few but not isolated) publications which, as we see it, suggest that we move in directions directly opposite to what life dictates.

Here is an example of such views: "In our days a strict requirement of the economic laws of socialism is the consideration in economic practice, in planning above all, of extant and anticipated social needs and giving priority to consumer value over cost..." ("Perfecting Developed Socialism and Party Ideological Work in the Light of the Resolutions of the June 1983 CPSU Central Committee Plenum." Materials of the All-Union Practical Science Conference. Moscow, 1985, p 152). Some readers, tired of the scarcity of consumer values in our trade, may take such a stipulation on faith, the more so since in addition to the theoretical "innovation" (giving consumer value priority in planning) we find with it, as though self-evident, a familiar and unquestionable requirement (consideration of social needs). No one can argue with this: social needs must be taken into consideration. The question is how to do it. The immediately added concept of the priority of consumer value in planning leans toward a certain logic favoring a straight line of action: if this view is essential, it means that consumer value (in practical terms a specific item, production variety in physical terms) should be planned by the center. Where is the need here for wholesale trade or planning based on consumer orders! The opposite is true: it is suggested that the entire reorganization be based on increasing the planning of physical indicators for enterprises "from above." Some authors consider this even an advantage compared to capitalism where, allegedly, profit is pursued whereas in our case we are pursuing material objects. Actually, such an approach, should it be adopted, would be detrimental to the socialist economy. The demand for giving priority to consumer value over cost means, essentially, a call for producing the necessary items regardless of outlays. This would create a proexpenditures mechanism rather than an antiexpenditure one.

Let us note, above all, that this concept is not a theoretical innovation. The first (to the best of our knowledge) to pit costs against consumer value was made in the first half of the 19th century by the Russian Economist Shtorkh, the imitator of classical bourgeois political economy. He was opposed by K. Marx in his "Das Kapital," which is not astounding, for this work indicated that cost and consumer value are equally essential and indivisible features of a commodity. What is noteworthy is that in his objection Marx did not limit himself to views on the capitalist economy on which he based his study. He deemed it necessary to add the following:

"Secondly, after the elimination of the capitalist production method but while keeping public production, value remains dominant in the sense that control of working time and the distribution of social labor among the different production groups, finally controllable, become more important than ever" (K. Marx and F. Engels, "Soch." [Works], vol 25, part II, p 421).

"Remains dominant" is the term used in controlling working time and the distribution of social labor. But these are also the prime functions of socialist planning.

Simple logic easily proves that the idea greatly emphasized by a number of authors, according to which the consumer needs not value in general but specific items, does not refute the importance of value in the least. One could hardly imagine a customer who would buy an item without asking the price. The most important thing, however, is to evaluate this suggestion from the positions of economic practice. It has been frequently confirmed that the suggestion of restricting value planning and giving priority to centralized planning of commodities "in physical terms" is, above all, unrealistic. Even under circumstances in which the center will be planning only a few percentages of all physical items in national economic trade, the volume of such work would greatly exceed the possibilities of the planners, for which reason the accuracy of distribution "in kind" from the center would be low, as was convincingly proved in the book by O.M. Yun (see "Intensifikatsiya Ekonomiki: Teoriya i Praktika Planirovaniya" [Economic Intensification: Planning Theory and Practice]. Ekonomika, Moscow, 1986, pp 139-141). It is no accident that the documents of the 27th Party Congress indicated the precisely opposite trend in the reorganization of planning: Freeing the central authorities from petty concerns. Furthermore, comprehensive planning "in kind" from the center would not be useful even if it were possible: the satisfaction of social needs with such an approach would not improve but worsen. Centralized planning in kind and a point system of procurements does not reduce but increases shortages and lowers procurement reliability.

Frequent references are made to the familiar tricks of enterprises which make use of shortcomings in plan indicators of the "gross output" variety: they produce expensive instead of inexpensive items, for which reason, it is alleged, there is a shortage of necessary items. To begin with, however, physical indicators are, in this sense, no better than value indicators. In planning in terms of tons enterprises more willingly produce heavy items; in terms of meters, longer ones; in terms of pieces, items which are primitively made. This alone proves that the search for an ideal indicator within the old system of economic coordinates provides no solution. Naturally, this does not mean that one must not, or that it is unnecessary to criticize and to eliminate faults in plan indicators. This is necessary and the problem itself is an important one. However, the criticism of shortcomings of indicators, albeit entirely just, should not lead to conclusions concerning the basic faults of the planning system and the radical means of its reorganization. Yet the supporters of "naturalization" claim that it is precisely thus that this problem can be solved.

### The Origin of Scarcity

The basic shortcomings of the mechanism are related to the most important problems of socialist production relations. Suffice it to ask why, in general, is it possible to produce not items needed by the consumer but items benefiting the producer? Who would purchase such items? Who would pay for them? Why is it that the improper actions of the manufacturer are reflected only in assessing the implementation of their plan by the superior organization instead of by the natural reactions of consumers? By stating this problem thusly it becomes obvious that the reorganization of the economic mechanism must be based not on reworking the plan indicators but on setting up cost accounting relations and a system of total cost accounting, for if the

consumer simply refuses to buy and pay for items which may be profitable to the supplier but unneeded by him, control "from above" through the use of even the best possible indicators becomes totally pointless.

Any economic manager knows, however, that the enterprise-consumer cannot refuse that which is imposed upon it. To begin with, it does not have the legal right to do so: there is no wholesale trade but distribution based on stocks, which does not permit a choice of commodity or supplier. Second (and most important) there is no economic possibility of choice. Virtually all material resources are scarce. For that reason even unnecessary materials are accepted with the idea that they may later be traded for needed items. Furthermore, the consumer is sometimes willing to take not the best commodity but even obviously defective items, for otherwise he would get nothing. In order to please the supplier, price disparities and violations of delivery deadlines are ignored: what to do, there is scarcity.

There, the disease has been identified: scarcity. Would it not be better to treat the disease instead of its symptoms? Since it is scarcity which distorts economic relations let us eliminate scarcity rather than force the enterprises to behave "properly" under the faulty conditions it creates. Such a task could not be set during the period of accelerated industrialization, under the circumstances of hostile encirclement or preparations for the defense of the country. Nor could there be a question of this during the war. It was also difficult during the postwar restoration, combined with the need to void the atomic monopoly of imperialism. However, decades have passed since then and the question is asked ever more persistently: Can scarcity exist in a planned economy? How can it appear in a place where no disproportions caused by an uncontrolled market exist?

In his book "The Economics of Scarcity," which came out in 1980, the noted Hungarian Economist J. Kornai, introduced the concept of "normal conditions," as a definition of scarcity in the socialist economy. Although the author cautions that this is not a judgmental but a descriptive term, his approach is objectively judgmental. He argues with V.V. Novozhilov and other Soviet economists, who relate scarcity to violations of planning and even crisis conditions in the socialist economy. The approach adopted by J. Kornai may offer some methodological advantages in the comprehensive theoretical study of the problem. Essentially, however, a more convincing presentation of the problem is found in the view held by V.V. Novozhilov who, incidentally, made his first attempt at the comprehensive study of the scarcity problem in his article "Commodity Shortage," which was published in VESTNIK FINANSY in 1926. An expanded substantiation of Novozhilov's views and his refusal to consider scarcity a normal condition may be found in his final monograph, which came out in 1967. The approach he suggested remains fruitful to this day.

The word "scarcity" is familiar not only to theoreticians and practical economic managers but also to any person on the street who, if asked "What is available?" would answer "scarcity." The Russian language has already accepted this senseless concept. This linguistic deformation accurately reflects the deformation in economic thinking. We have stopped considering the abnormality of economic relations themselves, which created the word "scarcity." If you ask an economist "Is this machine-tool scarce?" He would



hesitate. And try to ask the same question in a strictly mathematical formulation: "Are there fewer such machine tools?" It will immediately become obvious that the question was formulated incorrectly. Greater precision will become necessary: Fewer compared to what? To a real social need or solvent demand? The usual scarcity is a scarcity compared with demand, as V.V. Novozhilov pointed out. But recalling this, we cannot fail to ask: Is demand substantiated?

We have stopped noticing the obvious: under contemporary conditions there is no absolute scarcity. There is imbalance. Scarcity means that demand does not coincide with supply and that there is more money than there are commodities. This applies to consumer goods and goods used for industrial purposes. Nobody is complaining of a shortage of money but everyone is speaking of a shortage of goods. Yet they are one and the same. Whereas in the area of individual consumption and distribution, commodity-monetary imbalance reflects complex social problems, in the area of trade in industrial goods such imbalance is the consequence of planning errors and weaknesses in the economic mechanism. Even a lagging enterprise, which allows waste and negligence and which produces substandard or totally unnecessary goods, is rarely short of money, but always refers to material scarcity. The most progressive and profitable enterprise is not particularly pleased by the abundance of money, for the possibility of acquiring material values does not depend on it. Everyone is aware of the shortage of goods but no one notices the surplus of money. Is this not clear proof that value relations have been belittled? Yet the idea of "physical" planning is based on the concept that the entire evil lies in the exaggerated significance of value relations.

The clearest proof of the groundlessness of the existing system of economic relations is found in surplus reserves--the "other side" of scarcity. Such reserves are stockpiled at all enterprises and construction sites and in all sectors, and it is difficult to blame enterprise managers for the preservation of a system in which money in itself means little and everything depends on the possibility of obtaining material resources. As is the case with any rationing, the enterprises take not precisely what they need but as much as possible (nor can they always know how much will be needed). They take as a reserve and to have it in any case or in order subsequently to trade with their neighbor one "scarcity" for another.

Considering the national economy as a whole, what is the ultimate result of all this? Between 1971 and 1985 the national income used in consumption and accumulation increased by 80 percent. Within that time reserves of commodity-material values within the national economy increased by 184 percent, i.e., nearly twice as fast. No objective justification may be found for the faster growth of reserves for the national economy as a whole. As a rule, technical progress accelerates resource turnover. In practice, throughout the entire 8th 5-year period, when the economic reform created some interest in the enterprises in the better utilization of production assets, stockpiles in industry increased more slowly than the volume of output. We are therefore justified in considering as a surplus that part of the stocks which accounted for their increase over and above the growth rates of the national income. What is the amount of this surplus? Had stockpiles in the national economy after 1970 increased only to the extent of the increase of the national

income, today they would have been worth 294 billion rubles. Actually, they now equal 463.5 billion. A surplus is the equivalent of freezing assets, in this case 169.5 billion rubles. For the sake of comparison, let us say that the value of the entire acceleration planned for the 12th 5-year period (a surplus national income which we would obtain in 5 years on the basis of planned growth rates compared with what would have been the result with lower rates in the last 5-year period) is approximately 84 billion rubles.

This example was cited by this author in a newspaper article in December 1985, while the preCongress documents were being discussed. Six months later, the USSR People's Control Committee considered the work of the Moscow Main Territorial Administration of the USSR Gosplan (Mosglavplan) in the use of above-norm material stocks. Things had not changed for the better.

Nor could they, without a radical restructuring of the entire system of economic relations. The scale of this economic calamity is such that it cannot be explained merely by the unconscientious attitude of individual senior officials. Or, more precisely, in this case, the unconscientious attitude is manifested not in simply overlooking current affairs. It is found in the unwillingness "to take a new look" at ordinary concepts and methods, as demanded by the 27th Congress. It is found in the unwillingness or inability to take into consideration, above all, the real economic interests of labor collectives and to influence them. On the one hand, we must provide the enterprises with the real opportunity for independently acquiring material resources through wholesale trade. On the other, we must apply economic pressure on the holders of surplus values. They must pay for surpluses with higher interest rates on loans and fines, higher taxes or other payments. Surplus stocks must become a tangible financial burden for any enterprise, a burden which lowers the wages of its collective.

The multibillion-worth surplus stocks have become an additional source of surplus money in economic circulation, which increases the commodity-monetary imbalance and, with it, a fictitious scarcity. At one point those who were paid for producing the commodities now stored in warehouses were paid. Such money appears on the market and creates new demand. Yet such demand cannot be met, for the material resources for which such money was paid stand idle and are not used for the creation of new values. Such is the clear practical consequence of neglecting the cost aspect of public production.

In order to restore the commodity-monetary balance and thus eliminate nine-tenths of the current difficulties in planned management, obviously the efforts of the central authorities should be concentrated less on "physical" than on value management. The proper centralized control of monetary circulation (or, more accurately, of value ratios), will result in proper dynamics of the mass of commodities without efforts on the part of the central authorities, on the basis of contracts among enterprises. So far the circulation of money is not planned. The lack of planning in the circulation of material values is merely the consequence of this crucial circumstance. However, if the planning methods themselves create scarcity, no production increase can eliminate it. Obviously, we must above all influence the second side of the balance: eliminate surplus demand. To accomplish this, we must eliminate in the production area anyone's right, from the individual consumer

to the enterprise and the ministry, to have and spend money not backed by real labor contribution and actually created value. The specialists know how to do this. This was the topic discussed, for example, in the major monograph by V.D. Belkin and V.V. Ivanter, which describes a number of sources of unearned income on all economic levels of the state budget. The authors remind us that as early as 1968 the noted economist I.S. Malyshev pointed out that the surplus of money in circulation compared to the sum total of material resources was the most harmful of all disproportions. We must agree with the claim made by the monograph authors that "neglecting financial balancing in national economic planning and orienting planning and economic management methods almost exclusively toward material factors leads to...scarcity of material resources, which become independent of the increased volume of output of such resources" (V.D. Belkin and V.V. Ivanter. "Planovaya Sbalansirovannost: Ustanovleniye, Podderzhaniye, Effektivnost" [Planned Balance: Establishment, Maintenance, Efficiency]. Moscow, 1983, pp 51-52).

Let us particularly emphasize the latter: in principle, the production process cannot eliminate scarcity if value proportions are deformed. The logic of automatic reaction (if a commodity is scarce let us increase its output) is fatal to the national economy. A scarcity predominates, which no production increase can cover and, in frequent cases, nor is this necessary. The only exception is found in the latest results of scientific and technical progress, in the latest items which can radically change the material base of the production process and, to a great extent, consumption. However, it is precisely in order faster to develop the production of such truly scarce items that one must eliminate the production of fictitiously "scarce" products.

Naturally, the specific formulation of practical decisions which will enable us to implement the extensive assignments formulated by the 27th CPSU Congress in the area of restructuring the economic mechanism will demand a great deal more works by the economists. We should note, however, that the scientific background for such work already exists. The last 10 to 15 years, which were lost in terms of making the necessary radical decisions in the economy, were not wasted by the science of economics. A great deal was made clear and many prejudices were eliminated. The development of the economic-mathematical trend particularly contributed to converting the economy into a more accurate science, limiting the field of arbitrary decisions. By its very nature, this trend requires a single criterion of optimality, which can be only a value criterion and the role of which, in our view, can be played best by profit and profitability. The authors of a number of recently written noteworthy works on economics, despite all differences in their individual viewpoints, are united on this question.<sup>1</sup> "Profits...are a concentration of the economy of overall labor, for which reason it is on its basis that a comprehensive value assessment can be given to final national economic results on the level of the primary unit," L.I. Abalkin, for example, writes.

Let us emphasize that it is not a matter of an assessment "from above" but of the assessment which the consumer of a product or service gives when he agrees to pay for it. In other words, it is not a question of a profit "indicator" but of the profit itself as the main cost accounting incentive and source of all autonomous economic actions taken by an enterprise. Actually, it is no longer necessary to promote this principle in theory, for it is being promoted



by practical experience: the VAZ and Sumy Association are self-financing. However, we must not forget that such an all-encompassing systemic principle cannot be fully tested with an experiment involving individual enterprises, which maintain daily economic relations with a large number of partners operating on the basis of the old economic principles. The further development of the system must be backed by a situation in which profit can be shown only through the efficient creation of a real, socially acknowledged value, paid for by the consumer. Only those who have truly earned this value should have the right to handle it to the extent to their contribution to it.

In his report at the June 1986 CPSU Central Committee Plenum, M.S. Gorbachev noted that "practical work on the implementation of democratic centralism in management is not following the path dictated by the current circumstances. We have experimented and obtained encouraging results. However, we frequently pass when it becomes a question of their extensive dissemination." The report stressed the need for completing as fast as possible the drafting of the Law on the Socialist Enterprise (Production Association), based on the concept of the new economic management conditions, and truly to master economic methods in managing the national economy on the basis of progressive norms and standards, substantiated prices and improvements in banking.

The report cited a vivid example of the durability of the old system, proving that "gross output," the quantitative approach, has many faces. It did not vanish with the elimination of the gross output indicator and is perfectly adapting to physical indicators, as shown by the indicator of trucking based on ton/kilometers, to which some planning workers cling, although the experiment clearly proved that the advantages of assessing the work of hauling on the basis of timely freight deliveries based on orders, at the lowest possible cost. Here as well, the assessment of the work provided by the consumer, the client, proves to be the most reliable.

It is particularly interesting that in this case the so-called "physical" indicator (ton/kilometers) is used in defending antisocial interests, while the most convenient indicator in meeting the interests of society, turns out to be the cost (payment for a well-performed service). We see again and again that the main problem is not the shape of but the person who drafts the plan. The planning system, taken as a whole, should use both physical and cost indicators. However, they must be used differently on the different levels, firmly rejecting the principle of national economic plan "apportionment" within related indicators from top to bottom (whatever they may be). In the final account, naturally, all "physical" items will appear, even the most detailed ones, in the production plan of the enterprise. Also natural is the fact that, in the final account, we must increase the attention with the producer pays to this "physical nature." However, it is precisely for the sake of including in the plan precisely the items needed by society that the enterprise itself (the association) must formulate its own production plan "in physical terms" on the basis of consumer orders. The work of the central planning authorities would be to maintain the type of economic atmosphere in which the procuring enterprise itself would like to meet the needs of consumers to a maximal extent. The economic standard issued to enterprises in terms of value serves this objective best of all.

Understandably, this is merely a most general principle. In practice, even with total cost accounting and ideal balancing, some orders must be based on direct instructions issued by the central planning authorities. This applies to orders related to priority social needs, unexpectedly arising urgent requirements, orders in the noncost accounting area and some other cases. We are familiar with the simple and reliable mechanisms which ensure the implementation of such orders "from above." The area in which centralized planning "in kind" is objectively necessary is the smaller part of overall material output. It is important for the remaining, the greater part to be governed by planning methods based on total cost accounting relations between consuming and procuring enterprises.

Intensified economic growth is the key to its acceleration. Today economic science itself must be intensified. As is the case with the production of material objects, intensification in the intellectual area demands that not a single reserve or additional opportunity for progress remain ignored or unused.

#### FOOTNOTE

<sup>1</sup> See, for example, L.I. Abalkin, "Dialektika Sotsialisticheskoy Ekonomiki" [The Dialectics of the Socialist Economy]. Moscow, 1981; A.G. Aganbegyan, "Upravleniye Sotsialisticheskimi Predpriyatiyami" [Management by Socialist Enterprises]. Moscow, 1979; A.M. Birman, "Ekonomicheskiye Rychagi Povysheniya Effektivnosti Proizvodstva" [Economic Levers for Upgrading Production Efficiency]. Moscow, 1980; R.G. Karagedov, "Khozraschet, Effektivnost i Pribyl" [Cost Accounting, Efficiency and Profit]. Novosibirsk, 1979; V.G. Starodubrovskiy, "Khozyaystvennyy Raschet Obyedineniy v Usloviyakh Razvitogo Sotsializma" [Cost Accounting in Associations Under Developed Socialist Conditions]. Moscow, 1981; "Khozyaystvennyy Mekhanizm v Sisteme Optimalnogo Funktsionirovaniya Sotsialisticheskoy Ekonomiki" [The Economic Mechanism in the System of Optimal Functioning of the Socialist Economy]. N.P. Fedorenko and N.Ya. Petrakov editors. Moscow, 1985; S.S. Shatalin, "Funktsionirovaniye Ekonomiki Razvitogo Sotsializma. Teoriya, Metody i Problemy" [Functioning of the Developed Socialist Economy. Theory, Methods and Problems]. Moscow, 1982.

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MAJOR LINK OF RENOVATION: SOME RESULTS OF THE KOMMUNIST-SPONSORED ROUNDTABLE DISCUSSION AT THE NOVOLIPETSK METALLURGICAL COMBINE

Moscow KOMMUNIST in Russian No 13, Sep 86 (signed to press 2 Sep 86) pp 42-45

[Text] "The viewpoint of life and practical experience must be the first and basic point of view in the theory of knowledge," V.I. Lenin emphasized ("Poln. Sobr. Soch." [Completed Collected Works], vol 18, p 145). The need to learn this basic approach was also confirmed by the roundtable discussion sponsored by the editors at the beginning of June at the Novolipetsk Metallurgical Combine imeni Yu.V. Andropov, a report of which was published in No's 11 and 12 for 1986 of this journal. This discussion helped us to highlight and analyze, more or less fully, a number of important theoretical and organizational-practical problems directly related to the current stage in the reorganization.

In our view, the most important result of the roundtable discussion was the fact that the experience acquired by the Novolipetsk Metallurgical Combine, the traditions of its collective, the scientific and technical standard of its output and the participation of the enterprise in the large-scale economic experiment enable us to extend with sufficient accuracy the "individually considered" problems of the NLMK much more broadly in terms of contemporary practice, and speak of the typical nature of situations which arise at the combine in the course of the reorganization. The social scientists, personnel of the USSR Ministry of Ferrous Metallurgy, members of the central economic authorities and managers of the oblast and city party organizations who participated in the discussion (or, more accurately, in the rounds of meetings and talks) also confirmed the similarity of many problems of such economic development and improvements in party work inherent in this enterprise and many other labor collectives working in the metallurgical and other industrial sectors. In this connection, it would be useful to discuss some essential aspects of the debate, which were noted to the greatest possible extent for being typical of the current stage in the implementation of the resolutions of the 27th CPSU Congress.

First of all, the roundtable discussion of crucial problems related to the application of cost accounting principles in planning and production management on all levels, from the labor brigade to the ministry, provided extremely rich factual data for consideration and practical conclusions. As the study indicated, despite the achieved successes, the steps taken so far in



this area are of a half-way nature and by no means take always entirely into consideration basic cost accounting requirements, such as economic autonomy within the framework of the centralized plan, self-financing, self-recovery, material incentive and responsibility, and control through the ruble over industrial economic activities. The existing situation is by no means the fault of the labor collective. The combine's practical experience provided abundant examples of efficient solution of problems within the range of competence of the enterprise. However, of what kind of purposeful expansion of the combine's economy could there be a question if to this day its activities are regulated by more than 300 indicators based on directives, most of which artificially complicate planned control over end labor results.

A great number of arguments were cited at the roundtable meeting confirming how frequently the burden of old concepts influences the actions of some senior ministry workers. The need to maneuver among the requirements of the reorganization and obsolete noneconomic methods of economic management caused by the clear lack of profound theoretical work on the conflicting interaction between production forces and production relations and the political-economic aspects of the functioning of commodity-monetary relations on a socialist basis and the role of commodity production and the law of value under socialism. The comprehensive use of cost accounting principles is not someone's pious wish but an objective prerequisite for the further progress of our economy. This idea, which ran throughout the speeches of the participants at the meeting, also predetermined the sharp evaluation given to the current situation at the combine.

The consideration of relations between the NIMK and sectorial and academic science, machine building sectors and contracting construction organizations, which powerfully influence the pace of scientific and technical progress at the enterprise, also revealed a number of grave contradictions between the requirements of the accelerated development of production on the basis of new equipment and technology and the existing mechanism of cooperation with related enterprises. Intensifying scientific research on problems of planned price setting and perfecting the financial-credit management levers are also needed. However, the participants in the meeting emphasized, matters should not be presented as though practical workers can today calmly wait for the recommendations of scientists. It is indicative that directly in the course of the discussion its participants were able to analyze and resolve a number of purely practical problems, particularly those pertaining to the construction of the "2500" mill, which must mark a new step in the development of domestic metallurgy. Second, close attention was paid at the meeting to the topical problems of optimizing sectorial management and the role of the ministry under rapidly changing economic management conditions. The experience of the Novolipetsk Metallurgical Combine irrefutably proves that the reorganization, which is gathering speed, is increasingly affecting the deep, the essential aspects of relations between the enterprise and sectorial headquarters. As was emphasized in the course of the discussion, the main booster in the chain reaction of change now is the labor collective operating under objectively different economic coordinates compared to 5-10 years ago. To understand and accept the persistent requirements of the qualitatively changed production process is the most important task of ministries and central economic departments.

What makes the solution of this problem even more urgent is the fact that the most serious difficulties in enterprise practical work reflect as in a mirror similar problems in relations between ministries and the Gosplan, Gossnab and other bodies of general state economic management. The substantiation of long-term and current plans, material and technical procurements, prices of new commodities, their standardization, foreign trade operations and integration with enterprises of CEMA-member countries are by no means a full list of problems on which the participants in the discussion expressed views of considerable practical-science interest. The science of economics was given a number of assignments. In particular, the speakers mentioned the need to formulate a methodology for the division of profits between the enterprise and the state, which would take optimally into consideration the social interest and the interests of the collective and the individual. In the course of the discussion the need to undertake more daringly economic and management experimentation, to extend progressive experience more rapidly and energetically, and decisively to abandon what is obsolete and hinders the reorganization of management, was repeatedly emphasized.

Third, a characteristic feature of the roundtable meeting was the correlation between the technical and economic aspects of most problems of production development and their social aspect. It would be no exaggeration to say that the participants in the discussion proved that the new view on the social area, which was formulated in the documents of the 27th CPSU Congress, and the new assessment of its growing significance are related to a more profound and specific Marxist-Leninist understanding of humanism and the role of the human factor in the acceleration of socioeconomic development, systematically developing as an inseparable part of our thinking and ever more tangibly embodied in practical results.

The NLMK collective achieved impressive successes in most of the traditional areas of social development. However, a lagging remains in the utilization of a number of important factors which affect the well-being and harmonious development of the working people. First is the clearly unsatisfactory pace of housing construction in terms of contemporary requirements. A number of problems have piled up in the areas of health care and organization of the leisure time. Problems of environmental protection, which are quite relevant in terms of the production workers and population of the city in which this very big metallurgical enterprise is located, are being solved sometimes slowly or half-way by the combine. The close consideration of these and other problems of the social development of the collective has indicated that the internal reserves of the combine, used on the basis of the current legal stipulations, are insufficient in terms of the fast and qualitative satisfaction of the demands of the people. For example, granting loans for building cooperative housing, taken from economic incentive funds, would provide a good incentive for increasing housing construction. However, the combine's trade union committee has no corresponding legal regulation allowing it to do so.

The new tasks in the development of the social area also need new approaches, new methods. This idea was addressed by the roundtable participants to the executive committees of the local soviets, the central committee of their sectorial trade union and the USSR Ministry of Health. Unquestionably, the

range of agencies responsible for the growth of social indicators should be the broadest possible. It is precisely a strong social policy which is called upon today to enhance the human factor and bring into action the tremendous potential of our country and society. As the discussion indicated, this objective has still not become the most important, the most profound concern of party, soviet and economic managers on all levels. It is also clear that social science must have its say in the forthcoming tremendous amount of work.

Fourth, the discussion which was held in Lipetsk on the new forms and methods of political, organizational and ideological activities of party committees was profound and principle-minded. What are the main guidelines of the combine's party members in the course of the radical restructuring of party work in the spirit of the requirements of the 27th CPSU Congress? The preliminary study of the problem, followed by the exchange of views, most clearly indicated that the party organization at the NLMK has been largely successful in developing a dynamic process of renovation, strengthening an atmosphere of creativity and comradeship, openness and principle-minded exigency. Naturally, all of this has affected in the best possible manner production results and encouraged the people to engage in conscientious and initiative-minded work. However, it would be arguable to claim that the party members at the Novolipetsk Metallurgical Combine have no problems today.

As was noted at the roundtable discussion, the most important feature today is the formulation of the type of style of activities of party committees, party buros and party groups which would be entirely consistent with the further democratization of all aspects of social life and the development of the people's initiative. It is in this area that not only professional but also high moral qualities, and the ability to draw the people to them and to organize joint work, are expected of the party leaders, economic managers and the aktiv, to the fullest extent. Today the so-called arbitrary pressure, which has nothing in common with true persistence and principle-mindedness, the unsuitable "style" of shouting, abuse and petty supervision is particularly intolerable. Unfortunately, people with such faults can still be found at the combine.

Concern for cadres and their selection, placement and upbringing--one of the most responsible and difficult tasks of the party committees--is directly related to asserting the principles of party activities discussed at the 27th CPSU Congress. The facts and figures cited at the roundtable meeting convincingly prove the extensive and essentially inexhaustible opportunities for shaping a corps of leading cadres meeting the highest contemporary standards.

In the course of the discussion, the NLMK party members sharply raised the question of ignoring all anonymous reports, for they frequently become the tool of those who dislike the comprehensive strengthening of order and discipline and the use of objective means of evaluating labor and consumption. As was emphasized at the meeting, opposition to the reorganization is encountered most frequently by individuals and even groups who, for one reason or another, benefit from the existing (or existing until recently) disproportions in the distribution mechanism. As to the objective study of the moral climate in the labor collectives, strong support for the party



committee may be found in specific sociological studies. It is true that the combine has its sociological subunit, which acts in an energetic and inventive manner. However, the possibilities of the sociologists here would be substantially increased had members of academic institutes, Voronezh State University and VUZs participated in such work. Unquestionably, both would benefit from such cooperation. In broader terms, specific solutions are needed for all of the other problems discussed at the NLMK. The discussion was not self-seeking but a means of enhancing practical work.

The most outstanding feature of recent months has been the strengthening, the enrichment of the bolshevik tradition of seeking the advice of the people and daringly analyzing the depths of contemporary reality. The June 1986 Party Central Committee Plenum, M.S. Gorbachev's trip to the Far East, his meetings and talks with the working people, and his speeches in Vladivostok and Khabarovsk were new major steps in the development of the principled line of the 27th CPSU Congress. They were noted for the closest possible link between broad summations and conclusions and scrupulous consideration of practical activities of labor collectives and the actions and thoughts of specific individuals. The direct political results of this approach was the unanimous and warm support which the Soviet people gave to the steps formulated by the party and its Central Committee for a qualitative renovation of all areas of our social practice and for strengthening peace and security on earth.

"Neither the working class nor the peasantry or the technical and creative intelligentsia, no one is willing to live any longer as in the past, to tolerate that which has become obsolete, which hinders our progress and darkens our reality, our life, our socialist system," M.S. Gorbachev said in his speech at the conference of the aktiv of the Khabarovsk Kray Party Organization. In this sense as well we can see the initial change, the first and extremely important step taken in the implementation of the concept of acceleration. However, is this undiluted success? No, and no again. The party documents emphasize with increasing insistence the danger of such type of illusions. It is necessary systematically to increase our efforts and firmly to plunge into the avalanche of the problems triggered by the reorganization and to see the entire range of the complex and contradictory social reality.

The essential party stipulations, saturated with specific features and realities of life, are clearly visible now in dozens and hundreds of examples. What is the main conclusion today? Unquestionably, there has been progress, above all in the basic area, in economics. However, the profound quality changes which would strengthen the trend of accelerated development have still not taken place. Consequently, extensive and intensive work lies ahead. The forthcoming stage was described as essential in M.S. Gorbachev's speech to the Khabarovsk Party Aktiv. We must not allow tolerance and complacency, in one form or another, to enter thoughts and actions. The result of this is well-known from the experience of the past at least 20 years. We also know, however, the type of results and the time it took to achieve them by the Soviet people, inspired by a great objective, headed by the Leninist party. As to specific approaches to the work, would it not be rash to postpone them, to try to invent in a laboratory a universal prescription for acceleration? As has been the case whenever the party and the people have undertaken to

solve problems on a tremendous scale, there neither have been nor could there be any ready-made prescriptions covering all cases of life. The only possible way here is to learn as we advance, to learn from the lessons of practical experience and soberly to consider the circumstances which change with every passing day.

Where to begin? This question, which is natural in each period of change, must be asked by any party member, any Soviet person, whatever his position and whatever his knowledge and experience. The CPSU Central Committee and its Politburo provide a precise and clear answer to the question: all work on reorganization must begin by everyone with himself, by clarifying his own civic position and enhancing his political and labor activeness and responsibility for assignments. It is precisely thus, not by relying on close or distant neighbors, awaiting instructions or, worse, "support" examples, but by concentrating on one's own moral and ideological experience, engaging in a serious and honest investigation of how consistent it is with the requirements of the present. And, as M.S. Gorbachev said in his Khabarovsk address, to try to deal with himself. It is only thus that we can eliminate unnecessary and, sometimes, also harmful encrustations and become active fighters for the reorganization. All of us together and every one of us separately, we must do our work better, more conscientiously and energetically, whatever the area. Unquestionably, this applies to press workers, to whom the party is now assigning exceptionally difficult and major tasks.

As was noted at the conference with the aktiv of the Khabarovsk Kray Party Organization, "Our reorganizations and reform," earmarked in the resolutions of the April Party Central Committee Plenum and at the 27th CPSU Congress, "are a true revolution in the entire system of relations in society, in the minds and hearts of the people, in the mentality and understanding of the contemporary period and, above all, of the tasks created by the tempestuous scientific and technical progress." It is thus that the concept of reorganization is formulated today. Its forward march is revealing with increasing clarity and uncompromising nature the civic and political stance of each one of us. By stepping faster, by marching alongside the party and the country, or else settling in the "trenches of the past" and turning into a social ballast--this, precisely, is the maximal urgency with which the question has been formulated today. The choice must be made without delay, for participation in the processes which have encompassed our society and the management of such processes brooks no hesitation. They demand today of the party members the full force of their entire mind and soul, and the harnessing of all their knowledge and capabilities.

Facing the variety of life itself is the main stipulation of the 27th CPSU Congress and the only way through which we can achieve the creative enrichment of contemporary Marxist-Leninist thought. As to the method used in mastering the new complex problems created by the reorganizing practical activities of the masses, the most reliable and tried approach is their collective discussion, holding extensive debates on topical problems of socioeconomic development. The use of this method today means soberly to analyze facts, and to be guided by the objective logic of life rather than by far-fetched dogmas and stereotypes. It is important for all problems without exception to be considered comprehensively, in their internal interconnection. It was

precisely this feature which was characteristic of the meeting at the NLMK, ensuring the analytical nature of the discussion which was held here.

In starting with a report on the roundtable meeting at the Novolipetsk Metallurgical Combine as first of a number of planned similar materials, the editors, as required by the CPSU Central Committee decree "On the Journal KOMMUNIST," will concentrate their efforts on discussions and debates to ensure a real increase in knowledge and the formulation of serious recommendations of a conceptual nature. These and all other materials published in the journal, the decree notes, are called upon actively to contribute to the profound restructuring of the entire system of social studies, to support everything that is new and progressive and irreconcilably to oppose stagnation, routine, obsolete concepts and prejudices in theory and practice.

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## NEW WAY OF THINKING AND WORKING

### POWER OF PUBLICITY

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[Article by V. Kalashnikov, first secretary of the Volgograd CPSU Obkom]

[Text] This was thunder, but unlike the familiar saying, it did not come out of the blue. As has now been accurately established, the clouds had been gathering for some time.

And here is the conclusion. Recently, the CPSU Central Committee Party Control Committee issued a resolution on the results of the investigation of reports received from the Khimprom Production Association in Volgograd. The investigation established that L. Kutyanin, the association's director, V. Bodvyaznyy, his deputy in charge of economics and administration, A. Moiseyev, chief bookkeeper, O. Kazakov, party committee secretary, and V. Merlin, had been spending state funds for many years on collective drinking bouts and banquets for leading officials of the Ministry of Chemical Industry; under fictitious pretexts they had illegally obtained bonuses, issued special traveling vouchers to sanatoriums, which should have gone to workers engaged in work dangerous to their health.

From 1983 to 1985 the Khimprom managers appropriated and wasted 140,000 rubles.

The CPSU Central Committee Party Control Committee issued a strict reprimand to L. Kutyanin, the association's director, and a strict reprimand was entered in the party card of Party Committee Secretary of O. Kazakov.

The materials of the investigation were discussed by the party obkom buro. It relieved O. Kazakov from his duties as party committee secretary; V. Bodvyaznyy, deputy director of the association, and A. Moiseyev, the chief bookkeeper, were expelled from the party and removed from their jobs. Also removed from his job was trade union committee chairman V. Merlin, who was issued a strict reprimand, entered in his party record. These operators will be also prosecuted by the courts for their actions; they have been criminally indicted and are under investigation.

In itself, this scandalous story cannot fail to cause indignation. However, it is noteworthy for something else as well. Let us frankly point out that it

reflects to the fullest extent the unsuitability of standards and principles which took years and decades to develop and which, as we observed them, frequently helped us to avoid calling things by their proper names, which failed to expose negative phenomena and tried to conceal them, actually only postponing the inevitable struggle against them.

Reports on the unseemly activities of the Khimprom managers began to arrive 5 years ago. The letters went to the Kirovskiy Raykom and to the party gorkom and obkom. They were not ignored. The facts were checked and penalties were imposed based on the result of investigations. In particular, O. Kazakov, party committee secretary, was punished. However, all of these steps were taken locally. Above all, the facts which were reported in the letters were not made a topic of nationwide discussion. Had this taken place, unquestionably their reasons would have been exposed. But what happened was this: a report would be checked, the culprits punished, everything would seem to have been done properly, the matter was "dealt with" and there had been a proper reaction. After a while, the boil would appear somewhere else. It is my deep conviction that today such a story could not last that long. An uncompromising struggle has spread throughout the country against anything that is old and obsolete and that hinders our progress, under the cleansing wind of revolutionary changes, the beginning of which was laid at the April 1985 CPSU Central Committee Plenum and was subsequently developed and intensified at the 27th Party Congress. In formulating the task of accelerating socioeconomic development and the qualitatively new reorganization of Soviet society, the party told the people the truth on past omissions and errors, the reasons for them, and the difficulties and complexities of the work to come, openly and loudly. In this work, the party ascribes openness a particular, an essential significance. "This is a political problem," M.S. Gorbachev, CPSU Central Committee general secretary emphasized. "Without publicity, democracy, the political creativity of the masses and their participation in management neither exists nor could exist. This is, if you wish, a prerequisite for a statesmanlike attitude, imbued with a feeling of responsibility to the cause, displayed by tens of millions of workers, kolkhoz members and intellectuals, a starting point in the psychological restructuring of our cadres."

The scale and complexity of the problems we are solving today and their trend toward acceleration and high end results demand of everyone in his work sector new approaches, the search for nonstandard solutions, daring and decisive action, readiness to take justified risk, initiative, creativity and the highest possible feeling of responsibility. However, in order for such qualities to be displayed to their fullest extent, the people must be aware of the nature and trend of their assignments and the way to solve them. They must see their role in attaining the common objective.

The comprehensive information of the masses contributes to the growth of their political consciousness, involvement and deep interest in social affairs. It strengthens their feeling of true ownership and mobilizes them in solving the vital problems in building communism. It is only under the conditions of increased publicity that each party organization and party body will be able to maintain the high level of political leadership consistent with Leninist requirements and which distinguishes the comprehensive activities of the CPSU

Central Committee and its Politburo during this crucial period in the life of the party and the entire Soviet society, saturated with the revolutionary enthusiasm of creative work.

Today Volgograd Oblast is a major industrial and agrarian area of the country. In the past decade, however, despite steadily increased capital investments in the development of the material and technical base, the pace in the national economic sectors slowed down. A major lagging was noted in the implementation of 5-year plans in the most important economic areas and social developments. The situation in agriculture was a matter of particular concern. The oblast owed the state grain, meat, milk and other crop and animal husbandry products. Feed had to be brought in from other parts of the country.

A stereotype justification was used by a number of our workers: poor weather conditions. Unquestionably, nature has not been generous with our area: the land consists of dry and semi-desert steppes, precipitation is low, the summer is hot with frequent dry winds; a drought has been raging for the past 8 years. Yet we, the people of Volgograd, know that in our oblast as well there are many farms which have raised good grain crops and fed their cattle with their own feeds during difficult years. It is precisely the example and experience of these progressive farms and the views and suggestions of their specialists and rank-and-file workers that have become the starting point in seeking a solution to the rut and in taking a sharp turn and adopting new approaches in the intensification of the agrarian sector of the oblast's economy, taking the actual conditions into consideration.

The 23rd Oblast Party Conference will be remembered by the Volgograd party members as a memorable one in terms of its depth and the principle-mindedness of the study of the situation and the sharp and specific criticism of past errors and erroneous concepts, and underestimating of scientific recommendations and progressive production experience. The question of the inadmissibility of dispersing the attention and forces of the party organization in solving local problems without a clear and comprehensive perspective was raised sharply. The conference earmarked the strategic trends to be followed in the development of agricultural production. It called for laying a scientific base under it, for a consideration of the specific soil-climatic conditions and farming methods, and for ensuring the acceleration in all areas of the agroindustrial complex.

In accordance with these resolutions, our agrarian scientists, with the active help and direct participation of specialists from the All-Union Academy of Agricultural Sciences imeni V.I. Lenin and production workers, formulated scientific systems for dry farming and animal husbandry, reclamation and efficient utilization of irrigated land and social developments. Each of these areas was then concretized into 15 comprehensive target programs. Operations groups, headed by a secretary or head of obkom sectorial department or deputy oblast executive committee chairman, were set up to coordinate the activities of party committees and soviet and economic bodies, to supervise the implementation of the measures and to ensure extensive publicity of the course of the work.



Let me emphasize yet another important detail: the party committees, the local soviets of people's deputies and the economic authorities were issued assignments while the choice of means with which to solve them was left to their own judgment. Independence is being combined with intensified control under conditions of nationwide publicity and enhanced personal responsibility of cadres for their assignments.

The essence and significance of the strategic trends which were earmarked, and the scientific recommendations and the comprehensive target programs became well familiar to the party members and all working people in the oblast. There were extensively discussed at plenums, buros and party meetings, local soviet sessions, worker and kolkhoz member meetings and rural rallies. They were studied at seminars, in political and economic training courses, at meetings between the elected aktiv and managers with the working people, in the press and in local radio and television broadcasts.

We tried to make the steps we formulated maximally specific, so that the people can feel more clearly the importance of their assignments and the future and the end results of collective and individual efforts. In reclamation, for example, in determining the common tasks for the very first year, which was achieving an increase in the size of irrigated land by a factor of 5-7, and, subsequently, a further acceleration in the pace of such construction, it was stipulated that in the future each kolkhoz and sovkhoz must have no less than 1,000 to 1,500 irrigated hectares and, on this basis, guaranteed feed production. Or else, let us consider the social organization of the villages. Here as well the assignments were specified: "15 to 20 housing units per farm annually," "a livestock breeders' house per farm," etc.

The extensive publicity and specific nature of useful initiatives and the scope provided for the manifestation of local autonomy, combined with intensive control and personal responsibility for assignments, enhanced the energy of the people, inspired them to engage in active efforts and triggered initiative and inventiveness.

What were the practical results? In farming, the amount of fallow land reached the level of scientific recommendations. Fields and crop rotation were consolidated and soil-protecting, moisture-conserving and industrial technologies are being applied. Local creative research made it possible to make substantial corrections to scientific farming recommendations. In particular, intensive technologies were increased, and a new industrial technology for crop growing, described as the Volgograd method, was developed.

Laying a scientific base under agriculture was a project adopted as their own by the working class and the urban intelligentsia, who also found in it areas where they could apply their efforts and knowledge. Within a short time the oblast's industrial enterprises mastered the production of working parts for soil cultivation equipment suitable for moisture-conserving and industrial technologies, Fregat irrigation machines, pipes, pumping stations for the industrialization of reclamation, and equipment and construction materials for the construction of housing and cultural and consumer projects.

We believe that we have taken merely the initial steps and that difficult and comprehensive problems lie ahead. The results, however, albeit modest for the time being, are already visible. The pace is increasing and the work is becoming more dynamic. Last year the oblast harvested its grain crop and secured the necessary amount of seeds; it secured its own feed for the wintering of the cattle quite adequately; more offspring were born and livestock herds and productivity increased; purchases of cattle and poultry increased by 15 percent and of milk by 26 percent.

Noticeable changes were achieved in land reclamation. Whereas in 1981-1983 the amount of irrigated land in the oblast increased by 4,000 to 8,000 hectares annually, currently the figure has reached 50,000. The seasonal nature of the work has been eliminated: one-half of the annual land reclamation takes place during the first half of the year and such land is immediately put to use. Here as well initiative has become the main booster. The mixed contracting order which was developed locally has been one of the most important means of organizing such development and its share in the overall volume of reclamation projects has reached 40 percent.

The social aspect of the countryside is changing as well. Last year kolkhozes, sovkhoses and agricultural enterprises and organizations built (excluding individual construction) about 550,000 square meters of housing, or an average of 18 housing units per farm. This is higher by a factor of 2.3 compared to the very recent past, to 1983. Schools, kindergartens, hospitals, stores, and clubs have been built; 24,000 apartment units have been provided with gas and roads have been laid. About 300 livestock breeders' homes have been built or reconstructed at livestock farms, offering full services.

Naturally, not everything has proceeded or is proceeding smoothly. As we planned this acceleration, we anticipated difficulties and complexities and, particularly the acute scarcity of construction materials. This was frankly and bluntly discussed and sensitive problems were not avoided. The people found a solution. Local materials were put to use, such as adobe, timber from local species, industrial waste, keramsite clay and reeds. Let us point out that houses and outbuildings constructed from local materials are as comfortable and well built as those made of prestressed reinforced concrete or silicate bricks, although their cost is lower by one-half.

The reorganization of the country's agroindustrial complex and the steps formulated by the party and the government to perfect the APK economic mechanism were met with deep interest by the rural working people. The people consider them timely and consistent with the requirements of reality. At their meetings and talks they mention with satisfaction that great opportunities appear for autonomy of party committees and soviet and farming authorities, managers and collectives of sovkhoses, kolkhozes and enterprises, and all working people. The explanation of these important documents and the study of the situation and the course and prospects of the restructuring of economic management on the oblast, city, rayon and labor collective scale triggered a great deal of suggestions, remarks and advice. It is precisely maintaining contacts with the people and the nationwide and open discussion of crucial problems that made us realize the need for a more profound reorganization of the oblast's agroindustrial complex.

How was this manifested in practical terms? We set up within the APK a unified service for material and technical procurements and put under RAPO jurisdiction all rural construction organizations on the territory of the respective rayon. Now, together with the farms and enterprises, the rayons decide for themselves what to build and where to build it, set priorities and independently allocate material resources appropriated for their use. The financing of the entire complex of the rayon agroindustrial association is planned as a unit, and so are material and technical procurements. This type of organization was approved by the RSFSR Agroprom. Our experience was recently studied by representatives of other oblasts and krais in the Russian Federation, who rated it highly.

The reorganization of economic management in the countryside is no simple matter. It does not follow a smooth path. A great deal must be relearned on the go, and something must be mastered anew. Speaking frankly, by no means have all managers and specialists, not to mention rank-and-file working people, understood the nature of the stipulations of scientifically substantiated systems and the complexity of the problems related to a conversion to self-financing and the application of new forms of labor and production organization. Here as well exigency alone is insufficient. We must patiently teach the people not only what they must do but also how to do it. Again and again we feel the inexhaustible power of publicity, which provides scope for active and effective actions. We sponsor days dedicated to livestock breeders and to cost accounting, with the participation of specialists from the oblasts and rayon agroproms and kolkhozes and sovkhozes, held directly at production collectives--livestock farms, brigades and shops. Specific, interested discussions, based on and about life take place in the course of such meetings. Critical remarks and suggestions are then considered by the kolkhoz board or sovkhoz office and practical steps, of which the labor collectives are extensively informed, are formulated.

We recently instituted the following procedure: the party obkom buro summons managers of enterprises which failed to fulfill their production plans. They are taken strictly to task, regardless of position and rank. As a rule, so-called objective circumstances are not accepted. Initially, this created puzzlement. Why was a discussion needed if no violations had been committed?

In my view, this is an essential problem. Any difference between words and actions, the 27th CPSU Congress emphasized, harms the main feature: the reputation of party policy, and cannot be tolerated. The production plan is nothing other than the collective's obligation to the state and to society. It is the manager who is responsible above all for its implementation. He must anticipate possible obstacles and manage to eliminate them. His inability to do so means that the immediate culprit rather than "individual shortcomings" must be criticized.

E. Makarov, director of the Volgograd Petroleum Refinery, had to be relieved from his position. He is an obedient person, for which reason he strictly implemented all the instructions issued by the USSR Ministry of Petroleum Refining and Petrochemical Industry. However, he showed no initiative, he did not go beyond the stipulations of the "instructions." In a word, he was an automatic executor. It was natural, therefore, that there could not even be a



question at the plant of any real publicity, of an open discussion of sensitive problems: those "above" knew better, there was nothing to discuss. Whatever they say, we shall do. The plant soon found itself in deep trouble.

One could object that such situations frequently appear today, caused by the lack of rights granted the economic manager and that he is prevented from displaying his independence. A great deal is being said and written about it today, not without justification. However, with equal frequency efforts are made to conceal behind such talk one's passive attitude. Here is proof: under conditions similar to those of the petroleum refiners, the Orgsintez Production Association in Volgograd, headed by V. Rykov, is developing harmoniously.

I agree that it is no simple matter to tell the truth bluntly to a party comrade or, even more so, to formulate the question frontally: either truly march in step or yield your position to a worthier person. No third way is possible today. Nor do we play around with the truth. Our discussions at the party obkom buro or its plenums are open and quite sharp the moment it becomes a question of the style of management and the ability or inability to handle available reserves and possibilities. Quite frequently the discussion ends, as we usually say, with entirely clear conclusions. In recent years the structure of party, soviet and economic management has been substantially renovated in the oblast. This has been beneficial, for the oblast's national economy is successfully fulfilling the state plan for its basic indicators and our party and soviet home is becoming cleaner, brighter and more spacious.

Naturally, in the past as well those who had committed omissions in economic activities or other delinquencies were strictly taken to task. However, one could take to task, quite strictly, but...in executive session. This was motivated most frequently by the need to protect high reputations. Otherwise, it was claimed, matters could go quite far. But how great is the advantage obtained from such concern for reputations? Sooner or later, news about some event or delinquency seeps out and most frequently degenerates into a rumor. Furthermore, it is easier for an unconscientious person to get away with giving extensive assurances behind closed doors. Conversely, in front of the people, not to mention in front of one's own collective, a culprit feels particularly uncomfortable. Here meaningless promises to mend one's ways are insufficient, for each step taken is public.

Alas, there still are frequent cases in which personnel who have committed violations escape the criticism of the primary party organizations. We have still not entirely eliminated the faulty practice of transferring delinquent managers from one position to another. Thus, recently Staropoltavskiy Rayon recommended for the position of director of the rayon procurement office V. Kapinos, who had not excelled as director of the Kanovskiy Sovkhoz. Both the raykom and the management of the oblast consumer union had to be sternly corrected.

Naturally, we do not intend to tolerate such shortcomings anymore. The stipulations of the CPSU statutes are the same for everyone. There must be, therefore, no liberalism toward cadres, regardless of previous merits. The most accurate method here is the constant and firm combination of exigency

with extensive publicity. The best way of achieving this is by having party members report to their comrades. In preparing for such a report, the person comprehensively analyzes his activities and the work of his brigade, shop or enterprise, and brings to light the reasons for shortcomings. That is precisely what those around him do. As a result, such discussions are of great educational value. As a supplement to such reports, we discuss at party meetings the personality of the party members and the talks conducted at party committees. In turn, obkom, gorkom and raykom secretaries must submit reports to the large party organizations.

Naturally, a person is distinguished above all by the work he does. Nevertheless, we cannot ignore the fact that even the greatest professional merit will not rescue someone's reputation, should he violate the criteria of social justice and morality. For example, not so long ago we denied the appeal of V. Koshelev, a former senior official of the Uryupinskiy Rayon Executive Committee, who was fired and expelled from the CPSU. Voices were heard while the matter was under discussion: What if a person is knowledgeable and capable? However, he was expelled from the party not without a reason but for excessive drinking, which he had frequently pledged to give up but kept failing. Of what kind of capability could there be a question in this case?

Yes, the problem of publicity is particularly crucial when it becomes a question of observing the standards and principles of social justice: the selection, placement and upbringing of cadres, housing allocation or other problems which have a direct bearing to the interests of the individual. In our oblast as well for a long time there were so-called areas closed to criticism, topics which could not be mentioned openly. Today we are engaged in a merciless struggle against such harmful phenomena. Let me describe several cases:

It was the beginning of a day and life on the street was proceeding normally. Cars were rushing and pedestrians were stepping quickly. Suddenly, an indignant voice was heard:

"Look at him, drunk in the morning. Take him to the militia."

"What are you saying? He is the militia. This is Major Budarin!" sarcastically said someone. "He can do anything he wants."

Quite unfortunately, there was a great deal of truth in this remark. That same V. Budarin had frequently shown up on the street drunk. The people could see this and could draw quite definite conclusions. What about the party organization of the militia rayon department? Nothing: in the aftermath of his latest drinking bout, this guardian of order and morality was told that he should not act thus. He answered, "I shall not do it anymore," and got drunk again. The corrupting influence of such phenomena on those around him are difficult to overestimate.

I cited the example of this drunk militiaman to emphasize that a rather difficult legal situation prevails in the oblast as a whole. At the beginning of this year an investigation established that the heads of the internal

affairs departments and the prosecutor's office had engaged in whitewashing and concentrated their efforts not on seeking criminals but on crime cover-ups. The situation with the protection of public property in kolkhozes and sovkhoses, construction organizations, enterprises of the meat and dairy and food industry and the trade system had become particularly intolerable.

A number of economic and office crimes and big thefts and cases of bribery were exposed in 1985. The managers of a number of enterprises, organizations, kolkhozes and sovkhoses were prosecuted. Unfortunately, some of them were party or Komsomol members. Cases of major account padding and thefts were exposed at the Repair-Construction Administration No 5, Volgogradremstroy Trust, and the Volgograd Industrial Structures Combine. S. Babakhanyan, the former first deputy chief of the railroad department, and other railroad personnel were detained and prosecuted for accepting bribes.

A group of internal affairs organs personnel was arrested. This criminal group included A. Shumilin, former chief of UVD Extradepartmental Protection Administration, A. Kirillov, former chief of the UVD Economic Department, and O. Yefishov and K. Fevralev, respectively former chiefs of extradepartmental security of Dzerzhinskiy and Tsentralnyy Rayons. They turned out to be involved in numerous thefts at meat and food industry enterprises. A number of economic managers are being tried on the same case. The investigation is continuing and all culprits will be identified and strictly prosecuted. The party obkom is closely following the investigation and, whenever possible, informing the public of developments.

It would be natural to ask how could such major delinquencies take place? To begin with, this is explained by the fact that at the enterprises where the crimes were being committed, as a result of weakened educational work among the collectives, and poor control over the protection of socialist ownership, some managers, specialists and workers developed a grasping mentality, and scorn for the interests of the public appeared and strengthened. Secondly, the reason was that the Volgograd Gorkom and Dzerzhinskiy and Tsentralnyy Party Raykoms and the obkom administrative agencies department had weakened their guidance of the law enforcement authorities and insufficiently supervised their activities. Heads of the militia and the prosecutor's office rarely reported to the CPSU gorkom, raykom and obkom buros. The main, the overall reason, in my view, was the manifestation of the old disease: whenever individual violations and crimes were being covered up and fear was shown of making them public, and whenever efforts were made to "solve the problem" in executive session, so that the people may not find out and draw "wrong" conclusions; nevertheless, the people could see everything, knew everything and drew even quite accurate conclusions which, we must point out, were not in our favor.

Allowances, compromises and secrecy are inadmissible in the struggle for the pure and honest image of the party member. Last year, for example, V. Rostovshchikov was relieved from his duties as obkom secretary and expelled from party ranks. He had deliberately falsified his biography and, on the basis of forged documents, had obtained rewards and illegally received benefits granted to veterans of the Great Patriotic War. The CPSU Central Committee Party Control Committee, which considered the appeal of that



individual, confirmed the decision adopted by the Volgograd Party Obkom Plenum. In due fashion, this fake frontline veteran was deprived of his undeservedly obtained awards.

In November 1985 the CPSU Obkom Buro issued a strict reprimand, recorded in the file of V. Vinogradov, chief of the procurement and marketing administration of the oblast executive committee, for of personal lack of modesty and use of official position for private purposes.

In the past 2 years 35 members of the nomenclature of the CPSU obkom have been relieved from their position for compromising behavior. They include V. Gritsenko, chairman of the Kharkovskiy Kolkhoz, Staropoltavskiy Rayon, A. Bondarenko, chairman of the Kolkhoz imeni 50-Letiya Oktyabrya, Kotovskiy Rayon, and I. Tsybulin, director of the Frolovskiy Meat Sovkhoz. All of them were expelled from the party.

All of this we described openly and reported in the oblast press. This did not weaken the reputation of the oblast party organization in the least. On the contrary, what triumphed was the Leninist principle according to which the party cleanses itself from alien elements and announces this openly. In addition to everything else, such directness and frankness make a short end of the amateurs of various types of rumors and fabrications.

Unfortunately, the results currently demanded by the party are not obtained by everyone and everywhere. However, the powerful ray of publicity is penetrating ever more profoundly into corners where sluggishness and stagnation have not been abandoned yet; careerists, idlers, bureaucrats and demagogues are beginning to feel increasingly less comfortable under its bright light. Unfortunately, we still have people who like to "give assurances" and adapt to the reorganization. Such officials make speeches, call for observing the party decisions and blame their subordinates but personally do not move a finger to do something useful. Such was the way N. Grinko, chairman of the Zavety Lenina Kolkhoz, Oktyabrskiy Rayon, behaved. He had been a good specialist in the past but developed the idea that he was infallible, stopped taking into consideration the views of the kolkhoz members, and rudely suppressed even the slightest remark addressed at him. Within a relatively short time 14 chief specialists, 27 secondary level specialists, 11 heads of livestock farms and 8 brigade leaders were forced to leave the farm. The party organization and the general meeting of kolkhoz members demanded that this phrase-mongering boor be fired; the party raykom buro relieved Grinko of his duties as kolkhoz chairman.

But here is a case of the opposite. One day, last summer, N. Shatilov, director of the Dubovskiy Pedagogical School, was detained by GAI personnel for drunk driving. Information of this fact was submitted to the school's party organization. What happened? At their meeting, the party members issued a mild reproof to the director and a reprimand. The CPSU Raykom Buro was forced to annul this resolution. Party member N. Shatilov was strictly reprimanded and the reprimand was recorded in his file; it was deemed improper to allow him to remain chairman of the auditing commission of the rayon party organization and principal of the pedagogical school.

The readers may develop the impression that we are aiming the heavy weapons of criticism only at managers. This is incorrect. I am naming in this article guilty managers only to reemphasize that demands toward party member-managers must be particularly strict. I also deem it necessary to point out that we must become stricter toward the rank-and-file party members as well. Everyone is equally responsible for the successful implementation of the congress' decisions. I am saying this because we still have party members who deem it their duty only to speak out, to criticize the CPSU gorkom or raykom and to demand the building of housing, the laying of gas pipelines, providing something or procuring something else. Instead of engaging in an honest discussion of shortcomings and seeking ways of their elimination, above all in their own collective, and instead of practical and serious efforts, some comrades engage in demagoguery, displaying parasitical and backward feelings. We are waging and will continue to wage an irreconcilable struggle against these ills as well.

In calling for the acceleration of socioeconomic development, the party inseparably relates it to the further advancement of democracy and of the entire system of socialist self-government by the people, upgrading the work standards of soviets of people's deputies, and decisively eliminating all manifestations of departmentalism, parochialism, bureaucratism and bureaucratic and indifferent attitude toward the needs and demands of the people. In the light of these requirements, the prime task of the oblast executive committee and all soviets of people's deputies in the oblast, as the full owners of their territory, is to ensure the most efficient utilization of the oblast's production potential in accelerating the pace of economic and social development, and to achieve the comprehensive socioeconomic progress of cities and rayons.

It cannot be considered normal when occasionally housing, school and hospital construction, the development of a healthy way of life at work, and concern for working and recreation conditions and the development of public education, culture and social insurance are not included in the range of the main concerns of the soviets. Yet such cases do exist. It is entirely inadmissible for the soviets grossly to violate our fundamental principles and consider decisions which affect vitally important interests of the citizens secretly, in violation of existing laws. Unfortunately, such cases exist as well. Thus, M. Belous, head of the accountability and allocation of housing department of the executive committee of the Krasnoarmeyskiy Rayon Soviet, was recently relieved from his position for severe violations of the stipulated procedure for housing allocation; K. Rodionov, deputy chairman of the same executive committee was issued a reprimand.

The role of the mass information media is invaluable in broadening publicity and upgrading its effectiveness. For the time being such media are still poorly used. We find a great deal of mediocrity in our newspapers and radio and television broadcasts; inertness, and ignorance of new developments have not been surmounted. The people are dissatisfied with the low efficiency in the coverage of events and the insufficiently convincing description of the struggle against bureaucratism, sluggishness and stagnation. This is a manifestation of the poor professional training of the journalists. For example, only one-third of the personnel of the rayon press have higher

training and only 24 percent of them have specialized training in journalism. Frequently, people who are professionally unsuitable and sometimes even morally unclean, become editors in chief. For that reason, in the past 5 years the editors of eight rayon newspapers have been relieved from their positions.

Unquestionably, the party committees as well are to be blamed for the fact that the potential of the mass information media is by no means used to its fullest extent. We must always remember the party's instruction that the content of any publication and its efficiency depend to a decisive extent on daily party control and attention.

People throughout the world are familiar with our city. Every year, more than 4 million tourists and guests come here from all parts of the country and from abroad, to pay their respects to the courage of the defenders of Stalingrad, and to honor the memory of the dead. With the help of the heroic military and labor traditions of this city hero and the oblast, we are spreading the truth of the peaceful policy of the CPSU and the resolve of the Soviet people to defend peace on earth, love of homeland, loyalty to the ideals of socialism and readiness to defend its gains.

We pay particular attention to the youth. Young men and women, sometimes with unformed character and outlook, are particularly eager to learn the truth and to hear a truthful word and wise advice. This was confirmed yet once again by the meeting, held immediately after the delegates from the 27th Party Congress returned, at the club for political meetings, with the student youth in Volgograd. More than 1,000 people held their breath as they listened to the description of the work of the highest party forum, its historical importance to the country, the great prospects and tasks issued to the party and the people, and the role of young people, students in particular, in their implementation. The young men and women then asked questions, more than 100 of them. This meeting, which was open and informal, lasted several hours. The discussion was frank and open. We did not avoid sharp and difficult problems. The problems which were not discussed at the meeting were considered by the CPSU or Komsomol obkoms and their authors were given exhaustive answers, most of which were published in the newspaper MOLODOY LENINETS.

The political meetings club has been functioning for the past year and has become one of the most important forms of communicating with young people and informing and educating them. Its meetings are attended by leading oblast and city personnel and scientists.

Solving problems on the spot is a principle which is becoming increasingly asserted in our life. Valuable in this connection is the experience of the Volgograd steel-wire plant, where the opinion of every worker is taken into consideration should it contain even a minute grain of efficiency. The enterprise has a "Signal" round-the-clock information system, the services of which can be used by any worker. Any request, suggestion or critical remarks aimed at improving the organization of production, labor, life, cultural relaxation, and so on, which is phoned in (at any time) is recorded and considered by the sociological service and tested, analyzed and put to use by



the head of the respective subdivision and, for purposes of information and control, submitted to the management of the enterprise. To a great extent the fact that this plant is working on a stable basis, steadily increasing its pace, and is a school for progressive experience in production reconstruction and technical retooling and high quality of output, is achieved through extensive publicity and active participation of the entire collective in management and in all enterprise affairs. Today such publicity services exist at the Akhtuba Plant, the petroleum refinery and many other enterprises.

In observing Lenin's behest and the instructions of the party's Central Committee on the need for close contacts with the masses and the ability sensitively to determine their feelings and to respond to their needs and demands, the oblast committee tries to improve its work with citizens' letters and oral addresses and to intensify the study of public opinion. It is precisely this approach that makes it possible to identify the "hot spots" in the oblast's socioeconomic and public life, to react to shortcomings promptly and accurately, and to be able to consider in its details a crucial problem. This is a prerequisite for further successes in our work in the implementation of the historical resolutions of the 27th CPSU Congress.

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5003

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## In My Opinion...Letters to the Editors

### FROM THE EXPERIENCE OF THE STRUGGLE FOR PACE AND QUALITY

Moscow KOMMUNIST in Russian No 13, Sep 86 (signed to press 2 Sep 86) pp 57-58

[Letter to the editors by pensioner M. Malakhov, CPSU member since 1926]

[Text] In my opinion, the experience acquired by our party during periods of radical changes in economic management methods must be used more energetically, and purposefully than is presently the case. CPSU history abounds in examples of difficult and complex national economic problems being solved by the party with bolshevik fearlessness and truly revolutionary scope. The party members are invariably distinguished by their respect for their past and profound mastery and practical utilization of its lessons. As was noted at the 27th Party Congress, the strategy of acceleration encompassed the extremely rich experience of the CPSU. It constituted the development of the Leninist traditions of consistency and innovation in solving problems raised by life. In this connection, I would like to share several considerations which, in my view, are directly related to the concerns of the present, when our national economy has entered a crucial stage in its development.

The high standards to be reached according to the 12th 5-Year Plan called for a new approach to identifying the sources of economic growth. A determining feature in this case, as M.S. Gorbachev mentioned in his report at the June 1986 CPSU Central Committee Plenum, is that of radically improving production efficiency indicators on the basis of the acceleration of scientific and technical progress. The key principle in solving this problem was formulated with extreme clarity in the documents of the 27th CPSU Congress: we must persistently seek and find the levers which will ensure priority exclusively to research institutions and industrial enterprises whose collectives are actively applying everything that is new and progressive and seeking ways of producing high-grade efficient items. Naturally, wages are one of the most efficient means for encouraging the mastery of advanced items. Yet in the past 10 to 15 years, according to my observations, equalization in material incentive has had a particularly strong influence, especially in the application area.

Yet higher pay for innovative labor is an old Soviet tradition, which has invariably yielded quick and high returns. Let me cite the following example: at the start of 1936 a difficult situation developed at the Locomotive Engines Plant imeni V.V. Kuybyshev in Kolomna in the implementation of extremely

important assignments. The USSR People's Commissariat of Heavy Industry strengthened the enterprise's leadership and instructed it to correct the situation within the shortest possible time. I shall not enumerate all the steps we took to carry out the assignment. Let me describe in somewhat greater detail only one aspect: the struggle against equalization.

Even the most superficial study indicated that in the diesel shops of the plant, where the most difficult and important work was concentrated, and where high pace of metal cutting and progressive technology were applied, the wage rates equaled the experimental-statistical ones and were not oriented in the least toward highly skilled shock labor. We decided drastically to change the wage system for workers engaged in making new types of diesel engines and powerful steam locomotives and to increase wage rates in these subdivisions by approximately 50 percent. Most brigades were converted to cost accounting work. At the same time, we applied a bonus system for paying engineers and workers for prompt delivery of goods to customers, which substantially strengthened contractual discipline. As a result of these and other steps, labor productivity at the plant increased 23 percent in 1 year and the quality of items improved significantly, along with other technical and economic indicators. Characteristically, equalization had been leading the enterprise to overexpenditures in the wage fund totaling more than 2 million rubles annually, whereas a strictly differentiated approach to wages allowed us to save annually more than 3 million rubles from this fund.

Today, when enterprises' rights are being systematically broadened and their responsibility is being enhanced for results of economic activities, I believe that it would be useful to recall yet another very efficient method which helped our industry during the Great Patriotic War in successfully coping with urgent orders. How does the current situation present itself, when we must quickly manufacture a specific item, repair a complex machine, etc.? The customer must obtain the permission of the superior VPO or the ministry. The ministry then issues corresponding instructions to one of its enterprises, after which a deficiency voucher is drawn up or all other necessary technical documentation is provided, the cost of the order is established and a contract is signed.... However, in a number of cases such bureaucratic procedures could and should be avoided. It is a question of fulfilling an assignment not on the basis of a planned but of a so-called executive calculation, which does not require filling-up of a number of delaying documents, having agreed in advance on the percentage of the profit which will be left at the disposal of the manufacturing plant. Such a procedure would eliminate the red tape which currently takes months and even years and is related to the need for numerous coordinations of conditions for carrying out the work among the customer, the ministry and the specific executing enterprise.

The 27th CPSU Congress and June 1986 CPSU Central Committee Plenum paid considerable attention to the reorganization of the activities of central economic authorities and, above all, the USSR Gosplan. The trend of the work in the future is clearly indicated: the Gosplan and the other economic departments must concentrate on long-term planning problems, ensuring the proportional and balanced development of the economy, execution of structural policy and development of the necessary economic conditions and incentives so that each cell in the national economy could attain the highest possible end



results. Based on my experience of work in the USSR Gosplan and the USSR State Economic Commission, let me emphasize that the implementation of these objectives could be seriously obstructed by the intensification of sectorial trends in Gosplan activities, which have been particularly typical in recent decades. How could this be countered?

I suggest that it would be expedient to enhance within the structure of the USSR Gosplan the role of consolidated departments and deputy chairmen in charge of such subdivisions. To begin with, they must be made answerable for the proportional development of the country's national economy and the optimal deployment of production forces and acceleration of scientific and technical progress. I believe that steps taken to strengthen the consolidated Gosplan departments would be entirely consistent with the initiated work on setting up new management authorities of intersectorial complexes. As to sectorial departments, they should be maximally reduced. The point is that such USSR Gosplan subdivisions not only simply frequently duplicate the functions of the respective ministries. Their position forces them to defend departmental interests, willy-nilly eroding the comprehensive approach to the solution of national economic problems, which is so urgently needed today. The result is that frequently the Gosplan becomes involved in solving problems which could be solved by sectorial managers or even enterprise directors. Meanwhile, as was noted at the June 1986 CPSU Central Committee Plenum, the main work of the strategic planning authority of this country remains undone.

We believe that with a view to streamlining relations between central planning authorities and major economic regions, it would be quite useful to restore the former system of USSR Gosplan representatives. These representatives played a major role during the war and, particularly, in the postwar period as firm links between national and local interests. The high status of such representatives (ranking as USSR Gosplan deputy chairmen), perfect familiarity with local economic management conditions and, as a rule, outstanding personal qualities, ensured the proper linkage of national economic plans on the territorial level and the choice of the most efficient means for their implementation. This greatly eased the twin jurisdiction over oblast planning commissions: of executive committees of local soviets and USSR Gosplan representatives.

Someone may object that Gosplan personnel, performing functions which in their time were performed by its representatives, are operating currently in some territorial-production complexes and oblasts. However, the activities of today's Gosplan representatives are primarily consultative, for which reason they do not exert the necessary influence on the solution of difficult problems which exist in the interrelationship between the center and the local areas. I am confident that the systematic strengthening of the body of such representatives and granting them the rights and obligations of a coordinating management unit will greatly contribute to optimizing the socioeconomic development of the unified national economic complex of the country.

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5003

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## MATERIAL BASE OF THE ENGINEERING VUZ

Moscow KOMMUNIST in Russian No 13, Sep 86 (signed to press 2 Sep 86) pp 58-60

[Letter to the editors by Yu. Ryzhov, rector of the Moscow Aviation Institute imeni Sergo Ordzhonikidze, corresponding member of the USSR Academy of Sciences]

[Text] In my opinion, the substantial lagging of the material and technical base of engineering VUZs behind the requirements of the time, along with other negative aspects in the life of higher schools, affect very adversely the quality of training of specialists for the country's national economy.

The reason for such lagging is, above all, the nonmandatory nature (of sectors and departments who hire the young specialists and who place with the VUZs orders for scientific research and design-technological projects) of allocating facilities and funds for the material and technical equipment of VUZs. Thus, today VUZs acquire modern scientific instruments and equipment and the latest measurement and control and electronic devices (including computers) essentially through scientific research VTUZ, based on orders placed by sectorial enterprises. However, this method is ineffective, for the existing regulations, although allowing the acquisition of equipment along this channel, do not make it mandatory on the sector which orders a study or a development to supply the VTUZ with progressive equipment.

Meanwhile, no one denies that the training of engineering cadres must be of an advanced nature, i.e., that in the course of his training the student must have access not only to modern equipment but also to equipment which will be used tomorrow. Therefore, it must be made mandatory to supply the VTUZs with the latest instruments, equipment and computers. Obviously, this would also require solving the problem of their categorizing and, consequently, systematic reequipping.

The extensive use of engineers in the national economy in recent decades has led not only to a drop in the prestige of engineering professions, which has been discussed at length. Another no less negative effect has been the unrestrained increase in enrollment in engineering VUZs which, in the final account, has lowered even further interest in the profession, competition for enrollment and training. For a number of years the increased plans for enrollment in engineering subjects has been greatly outstripping the

development of that same material and technical base and, most frequently, has taken place not only with no changes in such facilities but even with curtailing them as a result of natural amortization and for other reasons.

Thus, at the Moscow Order of Lenin and Order of the October Revolution Aviation Institute imeni Sergo Ordzhonikidze, which is considered still relatively well-off in this sense, an elementary indicator such as the area of buildings and installations is lower than the legally approved size by a factor of no less than 2.5, a standard which in itself is not excessive (but quite the opposite). Not to mention dormitories, sports facilities and clubs, for which no standards at all exist but the situation of which is even worse than that of the main facilities. What worsens the situation even further is that most buildings, which were built 40 to 50 years ago, need capital repairs and reconstruction. However, they cannot be closed down because the institute works actually on a three-shift basis (night school students are the third-shift); the extensive application of computers and new scientific equipment in the training process and in scientific research would require additional premises for the computers, terminals premises, and servicing personnel. Furthermore, the requirements for such premises, stipulated by sanitation-epidemiological, fire prevention and other services are increasing with every passing year, outstripping the real possibilities of the VIUZs, which makes it impossible to install such equipment and use personnel in the old premises after the removal of the old computers, without radical reconstruction.

The current system of capital construction and repairs in VUZs under the jurisdiction of ministries of higher education (union and republic) requires of the rectorate to request most of the funds for such purposes (including very "scarce" ones for construction and installation) from sectorial ministries which are the employers of VUZ-trained cadres. As we pointed out, the appropriation of such funds is allowed on the basis of corresponding government decisions. However, because of such "scarcity," the rectorate is never confident that it will be able to acquire the necessary funds for planned construction, because of limits set on construction and installation and the fact that such relations are regulated on the basis of permission (rather than mandating) documents. However, even if this initial problem is successfully solved, an equally difficult one remains: finding a contractor and ensuring that he will carry out the construction with the funds which have been secured. If the funds have not been fully spent (as a rule, by the fault of the construction workers), the Ministry of Higher and Secondary Specialized Education becomes displeased while the rector blames the sectorial ministry ("neither himself nor others").

Both the lack of guaranteed funds and the chronic nonfulfillment by the contractors of their plans and obligations lead to "lengthy construction," as the result of which the completed buildings have already fallen behind growing requirements and standards. All of this takes place while large groups of personnel and students are recruited to help the construction workers. The latest decisions on construction problems in the country have blocked such "lengthy construction," by demanding that construction projects be fully backed by funds and materials within the stipulated deadline. However, the retained system of "collecting funds" from sectorial ministries prevents the



VUZs from benefiting from the advantages of the new system and conversely even deprives them in general of the possibility of developing their own base.

There is a solution to this situation: see to it that the sectors mandatorily allocate funds to the VUZ (including for capital construction and reconstruction) in proportion to the number of young specialists the sector has requested and obtained, who have been trained by said VUZ. One could argue about the cost ("value" of the graduate in one or another area). However, this approach seems just and streamlines this aspect of relations between VUZ and sectorial ministries. A study has indicated that so far, due to the undefined nature of such relations, the "value" of a MAI graduate varies according to the ministry by several hundred (as much as 700!) percent if it is computed by dividing the "construction-installation" funds assigned to the institute any given year by the number of young specialists hired by this sector that same year according to the interdepartmental assignment plan.

Possibly, lowering the "extensive" needs of enterprises for engineers and, consequently, the number of trainees, making it consistent with the real needs, would help to streamline relations between VUZ and sector and make consistent material facilities with the number of students not only through new construction and reconstruction. With such an approach (payment for a specialist), naturally, a certain percentage of the funds should be centralized within the Ministry of Higher Education in order to solve the problems of the "small brothers," who are unable rapidly to acquire funds for the development of their facilities within the short deadlines set by the government. However, it will be equally wrong to be carried away by centralization, for this may lead to another extreme: equalization and arbitrary decisions made by the apparatus of a union or republic ministry of higher and secondary specialized education in the redistribution of funds received from the sectors.

The vocational school reform under way is leading to decisive renovations and improvements in the material facilities of the vocational training system and calls for major investments in it and for creating conditions for the training of highly skilled workers and machine operators.

We believe that the efficient utilization of this labor potential strategically depends on the level of training of technological workers who will be called upon to utilize the skillful hands of vocational school graduates. That is why we must be urgently concerned with the material and technical base of training the new generation of engineers, so that the contemporary worker will be involved in the creation of progressive equipment rather than the equipment of yesterday.

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5003

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## EVERYTHING WITHIN MAN--EVERYTHING FOR MAN

### SOCIAL JUSTICE AND THE HUMAN FACTOR IN ECONOMIC DEVELOPMENT

Moscow KOMMUNIST in Russian No 13, Sep 86 (signed to press 2 Sep 86) pp 61-73

[Article by Academician T. Zaslavskaya]

[Text] The party relates the acceleration of the country's socioeconomic development above all to upgrading the creative activeness of the masses. The successful implementation of the planned course presumes a clear understanding of the processes which have determined a substantial increase in the attention paid to the human factor and to social problems. What is the nature of these processes?

The main reason for the objective enhancement of the role of the human factor in production is scientific and technical progress and, particularly, its manifestations, such as the growth of technical facilities available to the workers, labor intensification and increased specialization and the enhancement of actual production socialization. All of these processes, each one through its own mechanism, operate in the same direction.

With the growth of technical facilities the individual worker handles an increasing amount of means of production, the cost of which is transferred to the created product. As a result, labor is multiplied by the steadily growing coefficient which reflects the cost of the technical facilities used. In some highly mechanized production facilities the cost of the equipment exceeds the sum total of the wages which the worker employed here could earn during his lifetime by several hundred percent. Under these circumstances, the criteria of the social assessment of labor change qualitatively: whereas previously labor efficiency was determined, above all, in terms of the value of the commodities produced, today the maintenance and efficient utilization of means of production and the economical use of energy and raw and other materials are no less important. Under the conditions of a high capital-labor ratio, the price paid for insufficient skill, negligence and irresponsibility on the part of the workers increases by dozens and hundreds of times. Suffice it to remember the direct damages caused by the accident at the Chernobyl Nuclear Power Plant, which occurred by the fault of the personnel and which has been assessed at nearly 2 billion rubles, and the loss of life and health which cannot be economically assessed. This tragic event is the most obvious proof of the significance of the human factor both positive and, unfortunately, negative, under the conditions of the scientific and technical revolution.

The growing specialization of social labor is substantially influencing this phenomenon. One of its most important consequences is the appearance and gradual intensification of certain "monopoly effects" in production and in scientific and technical developments. Having no competition, the industrial giants dictate to the consumers their own conditions for procurements, including the acceptance of commodities which are easier to manufacture. Departmental institutes do not allow in "their own" sectors for years and decades on end valuable inventions, the authors of which are "outside" scientists. As a result, society becomes increasingly dependent on the personal qualities--honesty, decency and loyalty to social interests--of economic managers and engineering and technical workers. A similar situation is developing in the work places. As the nature of labor becomes more complex, the difficulty of control over its quality increases, for the controllers must be as knowledgeable as the makers. Involving an increasing number of skilled workers in supervising the activities of others is unprofitable and extremely inefficient. The only promising solution is to develop in all category workers the ability and readiness for self-control, based on high professionalism, personal dignity, pride in the excellence of their work and a loathing of hack-work.

Finally, the role of the human factor is also enhanced in connection with the growth of the real socialization of production, particularly the accelerated increase in the number of economic relations (currently more than 500 billion economic operations annually take place in the country). The role of the automatic regulators of such relations in the socialist economy is limited and their formulation is planned, thus involving the work of the personnel of planning, financial and other management agencies. The quality, responsibility and initiative-oriented nature of their activities and understanding of the public interests or, conversely, indifference to them are having an increasing influence on the efficiency of the socialist economy. Therefore, here as well the matter rests above all with the person, and his social qualities, without the improvement of which acceleration would be hardly possible.

All of these processes are objective and can only intensify in the future. This makes particularly topical the efficient management of the human factor in the production process. Yet social conditions in this area are also undergoing substantial changes.

What is changing above all is the very target of management: with each 5-year period the level of education, culture, information and legal and personal self-awareness of the working people increases. Their interests and needs become more complex and personalities become more varied. As education improves and the general outlook broadens, the people develop greater aspiration for independence in their work, active participation in decision making and development of their own creative potential. Unless this aspiration is met, the person frequently becomes alienated from his work and his interests move to other areas. Therefore, the socially developed person unquestionably has a major labor potential but, at the same time, is also a more complex subject of management.



As to changes in the social conditions of managing the economic behavior of the people, the main feature here is the weakening of administrative and economic coercion to work intensively in public production. The enhancement of the overall living standard and the development of social guarantees in the areas of education, medicine and housing reduced the economic need for such labor and enabled the workers to test themselves for long periods of time in various skills and spend a considerable deal of time in individual labor activities, work at home, and others. Furthermore, the existence in most areas and regions of job vacancies essentially allows the people the possibility of earning decently even without too much work. Characteristically, 27 percent of managers of industrial enterprises in the Altay consider as the main hindrance to the enhancement of the efforts of the workers the stressed manpower situation and the "competition" among enterprises for manpower (all data cited from sociological studies conducted by members of the department of social problems of the USSR Academy of Sciences Siberian Department Institute of Economics and Organization of Industrial Production N.V. Chernina, R.V. Ryvkina, S.Yu. Pavlenko, Ye.V. Kosals, V.Ye. Yeryshova, L.V. Korel, V.S. Tapilina and V.D. Smirnov).

Today people behave in a variety of ways in the area of the shaping and distribution of labor income. Some socioprofessional groups (seasonal brigades, diligence cooperatives or families working on the basis of collective contracts) try, above all, to earn as much as they can, for which reason they are ready to work regardless of hours and even health hazards. Others (the elderly, and boys and girls working with their parents), conversely, prefer low earnings for limited work. The criterion of a choice is the relative value ascribed to additional income or leisure time. To many such values are comparable. Thus, according to a sociological study, members of frontranking brigades rated cash bonuses first among the incentives they considered most important (listed by 100 percent of all those surveyed), followed by additional leave (83 percent) (computed from data contained in the book "Sotsialno-Psikhologicheskiye Problemy Proizvodstvennogo Kollektiva" [Sociopsychological Problems of the Production Collective]. Nauka, Moscow, 1983, p 65). The increasing value of leisure time is also confirmed by the fact that most of those who resign from their jobs are in no hurry to find a new job faster, usually making use of this break to repair their premises, transact some business, visit relatives and, frequently, relax.

Obviously, the only efficient management system today is one based on the precise knowledge and skillful utilization of the interests of the workers. Since such interests are comprehensive and depend on a number of reasons and change under the influence of circumstances, control of the human factor must be distinguished by a variety of methods, flexibility, responsiveness to local conditions and dynamic changes. Counterindicated here are the practice of frozen and fixed methods, for inevitably the streams of uncontrollable activities flow between the boulders of obsolete instructions. Quite important is also the scope of the variety of means used as incentives and "disincentives." If they are reduced merely to the "ruble" and administrative prohibitions of certain behavioral types, a significant and, sometimes, substantial share of the interests of the workers remains outside any administrative influence.

The shortcomings of the developed system for the management of the human factor (extensively discussed in recent party documents) and its inconsistency with the new social situation determined the less-than-efficient utilization of the social resources and societal labor potential. Sociological studies conducted in industry and agriculture in various parts of the country have indicated that barely one-third of all workers work to the fullest extent of their forces. The others, by their own admission, do not work at full capacity and, given a different organization of the production process, could do more and better. In 1984 this opinion was expressed in the Altay villages by 80 percent of agricultural specialists, 78 percent of secondary level managers and sovkhos workers and kolkhoz members. In the economically strong farms, the share of those who work at full capacity is higher compared to the economically weak farms. The disparity, however, is by no means as high as one could expect: 32 and 17 percent, respectively. It turns out that even in the better farms two-thirds of the workers do not work at full capacity. They cite as their reasons the poor organization of the work, poor incentive system, and inefficient administrative management of the production process. Another fact is typical: middle-level managers of Altay kolkhozes and sovkhos were asked whether their subunits had adequate manpower; 65 percent answered in the negative; 32 percent were essentially positive and 3 percent indicated surplus manpower. The managers were then asked how the situation would have changed, had they been given the right independently to regulate the structure, load and wages of the workers within the limits of their allocated fund; 42 percent answered that in that case they would have a certain manpower surplus (15-20 percent on an average).

This problem has its qualitative aspect related to the use of the professional knowledge, skills and experience of the people. One of the paradoxical phenomena of our reality is the use of engineering and technical workers in positions requiring skilled manpower or the desire of management cadres not to assume higher positions and expand the range of their activities but, conversely, to narrow it. Our studies indicated that only 9 percent of Siberian kolkhoz and sovkhos managers and 13 percent of middle-level managers would like a promotion in the future; respectively, 30 and 72 percent would like to hold a lower position, not because they were unable to cope with or did not like their work but because the social assessment of their jobs was inconsistent with the actual difficulty. The fact that skilled engineers hire themselves out as workers, and economic managers as operators, confirms the inability of the current management system to ensure the efficient use of societal resources.

What does this lead to? One of the results has been a drop in the planned socioeconomic development in recent 5-year periods, and in the extent of plan implementations and reaching of targets. In the economic area, as a rule the drop in the actual growth rates of output in one sector or another triggered a lowering of plan indicators during the next 5-year period. Such was the case, for example, in agriculture, the planned growth rates of gross output of which declined from 25 percent during the 8th to 13 percent in the 11th 5-year period. The actual growth rates of output dropped within that period from 21 to 5.5 percent. As a result, despite the systematic lowering of the plans for the growth of sectorial output, the extent of their implementation declined from 84 to 59 percent during the 8th and the 9th and from 56 to 46 percent in

the 10th and 11th 5-year periods. It is obvious that such dynamics could not be the result of deliberate planning and that the plans simply passively recorded the uncontrolled effect of adverse factors. One of the manifestations of the uncontrolled elements is the widespread practice of amending annual plans downwards, the systematic nonimplementation of 5-year plans by a number of sectors, the imbalance in production plans in terms of resources, the breakdowns in material and technical supplies, the development of "shady" economic relations, etc.

A similar trend was manifested also in social developments. For example, the uneven social development of individual republics and areas and of large and small cities and central and outlying villages increased instead of declining. The assignment formulated during several 5-year periods of giving priority to the development of living conditions in the newly developed areas of Siberia, compared with older inhabited areas, remained unsolved. In 1984, for example, nine of the 11 Siberian oblasts and krays were classified among Russian regions worse than others in terms of housing; in six of them meat consumption was below the republic average. Characteristically, in the exchange of housing which includes even Novosibirsk (let us not even mention other Siberian cities) the population of the European part of Russian, the Ukraine, Moldavia, the Baltic area and Belorussia gains between 20 and 23 percent additional living area per person. This is an indicator of overall regional differences in the quality of the living environment. All of these facts prove that in recent years the administrative authorities have by no means been able always to ensure a truly systematic socioeconomic development.

As the congress' documents note, in order to eliminate the adverse trends in economic development quickly, making the economy highly dynamic and providing scope for truly revolutionary change, the party deems it necessary for the broadest possible toiling strata to become involved in such processes and that their social activeness, energy and initiative be awakened. The way to achieve this is above all through the consistent, profound and comprehensive coordination of the individual interest of the workers and those of the collective and of the collective with those of society.

As we know, the economic management mechanism and the party's social policy pursue the solution of this problem in the socioeconomic area. The economic mechanism determines the forms of organization, planning and incentive of economic activities. By putting each worker category in specific organizational-economic circumstances, it thus shapes its economic interests (for example, collective forms of labor organization and incentive make the people interested in obtaining maximal output with lowest possible outlays). Social policy--well-thought-out and tested, and thoroughly balanced and purposeful--is a most powerful means of awakening not only the material but also the spiritual, the individual interest of the masses in attaining social objectives and is the main source of social and labor enthusiasm.

Social policy encompasses the activities of the party and the state in managing the societal structure, i.e., regulating concepts, relations and interactions among basic social groups. Let us note in this connection that one of the pivotal concepts in sociology is that of the social group. It is generic in terms of concepts such as class, social stratum, territorial



community, professional worker category, labor collective, etc. (let us recall Lenin's definition of class as a large group of people distinguished by their place in a historically specific means of production). The largest social groups, as we know, are classes, nations, ethnic groups, urban and rural populations, and people engaged in physical and mental labor. The coordination of the basic interests of these groups is a necessary prerequisite for the normal development of society. However, in order to solve contemporary problems this is by no means sufficient. Combined with social policy, the economic mechanism must coordinate and properly guide the interests of groups which are the constituencies of different departments, economic sectors, types of enterprises, regions and types of settlements (such as old and new, large and small cities, urban and rural-type settlements, and big and small villages). Even this is not all, for such a broadly understood social structure includes professional-skill and job-holding groups of workers, and population groups classified by type of employment (workers in public production, students, housewives, pensioners, individuals cultivating their own plots), sociodemographic groups and others. The general criteria in the classification of the groups are the main differences among aspects of their status in society: nature of labor, position in managing the economy and society, level and structure of income, place of residence, affiliation with one or another ethnic group, etc. Groups holding different positions have, as a rule, different interests, the coordination among which and between them and the interest of society is, precisely, the objective of politics.

The CPSU program lists four basic tasks of the party's social policy: steady improvements in the living and working conditions of the Soviet people; increased implementation of the principle of social justice in all realms of social relations; closeness among classes, social groups and strata and surmounting major disparities between mental and physical labor and between town and country; perfecting national relations and strengthening the fraternal friendship among nations and ethnic groups in the country. Naturally, these tasks are interrelated; some characterize to a greater extent the targets of social development; others emphasize the means of attaining such targets, most directly related to enhancing the human factor.

The task of achieving social justice in all realms of social relations triggered and active response by the people, for in the course of several 5-year periods which preceded the 27th CPSU Congress, a number of elements of unfairness had accumulated in our social life, thus painfully affecting the working people. Many cases of real life at that time diverged from the principles of socialism. Frequent encounters with various forms of social injustice, and the futility of efforts to wage an individual struggle against its manifestations became one of the main reasons for the alienation of some working people from social objectives and values. That is why the most accurate way of restoring trust and creatively promoting the activities of the masses today is the decisive--in action and not in words--struggle against negative phenomenon in this area, which can be achieved on the level reached in the development of production forces.

What is the nature of the principle of social justice? Obviously, here as well we speak of objectives and means. In terms of the long-term development of socialist society, social justice means political, social and economic

equality among social groups, i.e., ensuring the equal social value of their status while retaining a number of differences in its specific manifestations. In terms of our time, however, we speak of socialist justice (the use of this term in the materials of the congress was no accident). The most important socioeconomic aspect governing the efficient functioning of the human factor in production is socialist justice, the essence of which is the systematic observance of the principle "From each according to his capabilities and to each according to his work." Socialist justice means, first of all, encouraging and comprehensively supporting groups which make the greatest contribution to social progress, devoting all their efforts and capabilities to this effect, and, second, social control and economic regulation of the status of groups which put their narrow professional, departmental or parochial interests above those of society and harm social development.

Unquestionably, the bulk of the working people engaged in public production are the social support of the party in the struggle for restructuring production relations and accelerating the country's development. Although workers, managers and specialists hold different positions and, in addition to their common interests have a number of specific interests, all of them are deeply interested in accelerating socioeconomic development as a prerequisite for the fast growth of the living standard. Naturally, among workers in material production there also are active supporters of the new, people who are initiative-minded and enterprising, and others who are more passive and conservative. The former must be comprehensively encouraged and supported and scope must be provided for their creative aspirations; to the latter we must prove the advantages of new relations. We must educate them through the systematic practical exercise of socialist justice.

As we pointed out, in addition to those who totally link their well-being with public production, our society includes people who are ready to work quite intensively but not under general conditions but somewhat "individually," such as on the basis of family contracts, cultivation of their private plots, participation in seasonal construction brigades or in other types of piece-rate work. Such population groups are, as a rule, highly efficient and, furthermore, their labor is an additional contribution to work in public production. Therefore, society concludes with them a type of agreement on reciprocally beneficial conditions. Since work in the individual production sector does not require state capital investments, does not give the right to social insurance out of social consumption funds, demands personal initiative and involves economic risks, the average payment for such labor obviously should be significantly higher than wages in public production. However, an excessive disparity in income per unit of labor, compared with public production, could lead to the formation of a social stratum which will enjoy a disproportionate share of the public wealth compared with the remaining mass of the working people. Therefore, in creating favorable conditions for efficient economic activities for such groups primarily working in the private production sector, it is also necessary to take strictly into consideration and to control their income which, after attaining a certain level, but be subject to a graduated income tax.

Nor should we ignore the fact that the current situation determines the disparity or, in some cases, even the clash between the interests of some

categories of individuals and those of society. It is no accident, for example, that today we are speaking so sharply about bureaucrats, who are obviously unwilling to surrender their "positions," and who hinder and, here and there, even wreck progressive changes, stubbornly continuing to place narrow departmental, parochial or simply selfish interests above those of society. There also remain numerous operators in the so-called shady economy: big and small speculators, middlemen, brokers, etc. Benefiting from the imperfection of the existing economic management mechanism, they extract their unearned and illegal income from the "pockets" of the population and the state. The press has cited a number of cases of connections between "shady" dealers and corrupt officials in the state apparatus. This is hardly accidental, for the existence of such relations is a prerequisite for the old and unobstructed extraction of illegal income.

Obviously, under these circumstances the state cannot set as its objective the equal enhancement of the level of satisfaction of the needs of all elements in the social structure. The implementation of a strong social policy means the systematic differentiation in the growth of well-being of population groups quite disparate in terms of their role in the socioeconomic development of society, actively contributing to its acceleration or, conversely, hindering it, making different individual and collective contributions to the increased well-being of the entire society. It is precisely this differentiated approach that converts social policies into politics.

The accomplishments of Soviet society in achieving social justice are obvious. They have been written about in scientific and political publications and were summed up in the materials of the congress. However, the party directs us above all to the study of unsolved problems. It is important, therefore, in my view, to try to define the trends in the further intensification and strengthening of socialist justice in the socioeconomic area. What conditions must be met for the systematic implementation of the principle "From each according to his capabilities and to each according to his work?"

There are three main prerequisites for every adult member of society to be able to work to the fullest extent of his abilities: first, bringing the "starting" opportunities for the development of capabilities of people belonging to different social groups, living in various parts of the country, in cities and the countryside, etc., closer to each other. This presumes a similar quality of preschool upbringing of children in various institutions, increasing the unity based on the accelerated enhancement of lagging units between the levels of knowledge offered in rural and city, capital and provincial schools, and providing equal opportunities to different groups of young people in mastering difficult, interesting and socially prestigious professions. The difficulty and need to solve this problem are self-evident.

The second condition for work according to capability is the allocation of jobs in public production based on the personal labor potential and practical qualities of the people. The difficulty is that more than 30 percent of people employed in industry and 70 percent of those employed in agriculture are still engaged in simple manual work, which is inconsistent with the demands and abilities of either social group. The task of comprehensively reducing unskilled and hard physical labor is an urgent necessity which,



however, is being solved sluggishly. No less important is the proper assignment of workers in public production jobs and, in particular, promoting to jobs demanding complex and most responsible work of the most gifted workers with proper practical qualities. The present mechanism for placing and transferring cadres in public production does not ensure a suitably efficient solution of this problem, for which reason it must be updated and improved.

The third and final prerequisite is the possibility of all categories of workers engaged in public production to work to the fullest extent of their forces. For the workers this means without forced idling, without rushing alternating with periods of slack. For economic managers it means eliminating petty supervision and granting them sufficient economic autonomy and responsibility. For specialists in the national economy it means the right to engage in creative research, to make independent decisions within their range of competence. Although it may appear that the interests of society and the individual are totally coincident in this respect, the practical solution of this problem is difficult and will require a great deal of efforts and time.

This applies to the first part of the most important principle of socialism: work according to capability (although it does not entirely cover this problem). The implementation of the second part: systematic distribution according to labor, presumes, in my view, five main prerequisites: approximate consistency between the level of the wages of the different worker categories, based on the quantity and quality of their labor, and the relative living costs in one part of the country or another; elimination of all illegal income and ensuring a socially just level of income in the private production sector; unity within the consumer market of the country, i.e., making all types of commodities equally accessible to all groups of working people, the equal purchasing power of the ruble, whoever may have earned it, and an approximate consistency between prices of consumer goods and their social value (with the exception of the purposeful deviation of prices from values for the sake of solving social problems); a socially just division between the state and population of the cost of raising children and supporting the old and the disabled; a socially substantiated correlation between free and paid allocation of consumer goods.

The social program, which could be divided into minimal and maximal, is the specific embodiment of the party's social policy applied during a specific time segment. The objective of the minimum program which, as a rule, is based on the 5-year period, is to meet the most urgent and topical needs of the population, to solve the most crucial problems, to correct the most obvious inequities in the distribution of material and social goods. The most important elements of such a program are reflected in the materials of the 27th Congress and subsequent decrees based on the plan for the economic and social development of the USSR in 1986-1990. Great attention has been paid here to improving conditions for the upbringing of the growing generation, strengthening the material and technical base of school and vocational training, and perfecting the vocational guidance of school students. Major changes are planned in the conditions, nature and content of labor. The plan calls for the elimination of the most glaring disproportions among the wages of different worker categories. Essential significance is being ascribed to perfecting the circulation of consumer goods and services. A system of steps

aimed at improving the status of nonworking population groups is planned for the 12th 5-year period: of pensioners, the disabled, war and labor veterans, and mothers. The social consumption funds will grow somewhat faster than distribution according to labor; such funds will be used for the development of housing construction, the communal economy and urbanization, health care, the educational system and socialist culture. As a whole, the social program for the 12th 5-Year Plan is quite stressed although, naturally, it cannot solve the entire set of problems of socialist justice.

In order to enhance the activities of the masses in all realms of social life more comprehensively, efficient and difficult steps are needed. They must be seriously substantiated and their sum may account for the content of the strategic social program aimed at achieving the essential objectives of socialism and the total implementation of the principle of socialist justice in all realms of social life and the creation of conditions for the social development of all social groups. The main trends and outlines of this program are found in the materials of the 27th CPSU Congress. However, their implementation will require much more specific work on many problems on which scientists have still not reached a unanimous opinion. This makes the discussion of such problems in the press all the more important.

Considering the limitations of an article such as this, let us discuss only two problems of the long-term social program, which I believe to be particularly relevant and difficult. The first deals with the qualitative reorganization of the system of work places in public production and changes in employment conditions.

One of the vital needs of our society is the drastic acceleration of scientific and technical progress, which will inevitably lead to major reorganizations in the job system within the national economy. Unskilled manual labor will be reduced increasingly in the immediate future and replaced by skilled mechanized and automated labor. Such a change in the job structure will satisfy to a certain extent the need of the working people for more meaningful work. At the same time, however, it will release millions of unskilled workers from the production areas. This means that as of now we must, first of all, make reliable quantitative forecasts for the release of specific categories of workers on the regional and sectorial levels; secondly, we must seek the most efficient, economical and social, ways for the further utilization of such workers.

In the first stage, the task employing the thus released workers will be facilitated by the low shift coefficient of the utilization of equipment in most industrial sectors and the scarcity of labor in construction, agriculture and the nonproduction sectors: the number of vacancies in the national economy is, for the time being, estimated in the hundreds of thousands and the millions. On the social level, however, the redistribution of manpower among sectors, enterprises, professional and job groups, regions and towns throughout the country will be accompanied by great difficulties. The intensification of the process of changing jobs will obviously require substantial increases in the territorial and labor mobility of cadres and the psychological retraining of groups of workers who are historically noted for high stability. Since all of this needs time, there may be an intensification

of sectorial and territorial disproportions between labor supply and demand. The incomplete satisfaction of the needs of some sectors and areas for cadres will be combined with the difficulty of finding jobs for some population groups in others. In order to reduce such disproportions to a minimum, we must determine ahead of time and take into consideration the type of categories of workers who will be released, to organize their retraining in new skills and to reassign them to the new jobs on a planned basis.

Unquestionably, this will demand, above all, a transfer to other manpower-short production sectors, and moving to other areas and cities of workers considered least valuable from the viewpoint of labor collectives, people distinguished by their indifferent attitude toward labor and production quality, people who poorly participate in social life, not to mention loafers, drunks, drifters, etc. This situation will enhance the social value of jobs in public production, strengthen labor discipline and upgrade work quality. However, nor does this exclude a worsening of the situation in finding jobs for honest and conscientious people, who are insufficiently well-educated and are not ready for retraining (such as people nearing retirement, and mothers of several children). They will need both material and social assistance, which will include promoting work at home, partial and flexible employment of housewives, expanding family and cooperative forms of work, creating facilities for early retirement, etc. It is difficult to imagine at the present time the entire set of social problems related to the acceleration of scientific and technical progress, not to mention suggesting steps to solve them. However, the study of such problems is important.

The second group of long-term problems which should be discussed is related to the need for a comprehensive reform in the wage system in the national economy and the system of retail prices of consumer goods and services in the mechanism for the distribution of benefits from social consumption funds. The relevance of such reform is determined, first of all, by the substantial disparity between the measure of labor and measure of income of many worker categories; second, the economically and socially unjustified deviation of prices and rates of many consumer goods from their social values; third, the absence of sufficiently clear and substantiated principles for the distribution of paid and free benefits.

In the course of the current improvements in wages it will be possible to eliminate only the biggest, the glaring disproportions, whereas less significant disparities between the measures of labor and consumption, as they gradually accumulate, will be increasingly distorting the wage system in the country. That is why today it must not be corrected partially or improved, but subjected to an essential, to a basic reorganization. In order to achieve this we must not only accurately define and experimentally test socially supported correlations of wages paid for the most important types of labor but also accumulate financial reserves which will enable us to raise the wages of some worker categories without harming the interest of others. This problem can be solved efficiently and quickly with the reform of retail prices and the conditions for providing services.

But why is it necessary in general to revise the prices of consumer goods and, furthermore, while the wage system is being reorganized? The point is that



these levers for the distribution and redistribution of the population's personal income are closely interrelated and the final consumption ratios are shaped under their combined influence. As we know, in distribution according to labor "each individual producer receives back from society, after all deductions, exactly as much as he has contributed to society" (K. Marx and F. Engels, "Soch." [Works], vol 19, p 18). The wage is the monetary equivalent of labor and the obtained benefits are equivalent to their prices. A substantial deviation of retail prices from the social value of products means, under such circumstances, a concealed redistribution of income according to criteria found not in the realm of labor but in the structure of personal consumption. The socialist state makes active use of this method of redistribution of income for social purposes. Thus, cars, luxury items, and alcoholic beverages are sold, for understandable reasons, at prices much higher than their value; books, records and goods for children are sold at below-value prices, which stimulates their consumption and makes them more accessible to the population.

However, not all deviations of prices from values may be considered socially justified. Let us take as an example meat and dairy products, the retail prices of which have been kept by the state at a level far below cost. The meat combines and dairy plants purchase cattle and milk at prices which essentially ensure profitability to kolkhozes and sovkhozes. They supply the finished products to commercial enterprises at much lower prices. This differential, which amounts to 40-50 billion rubles, comes out of the state budget. As a result, a very tangible part of the overall consumption fund of the population is distributed not according to labor or need but as a subsidy to population groups which purchase said products in state stores. Meanwhile, in many parts of the country meat and dairy products remain scarce. In the rural areas and the small towns commercial operations are essentially conducted by the consumer cooperative which charges higher prices. Evidently, it would be better to sell meat and milk on the basis of their social cost, putting all social groups in an equal position from the viewpoint of obtaining such products.

Also obviously insufficient, in my view, is the price differentiation between high and low quality items of the same type. In the USSR such differentiations are lesser than in other socialist countries. In other words, in our country high quality goods are sold at relatively low prices and low quality goods at prices higher compared to their social value. Hence the increased scarcity of, above all, high quality items and their classification into a separate category and frequent disappearance from free trade and conversion into items for special distribution and, frequently, speculation. Such price setting practices mean a redistribution of income in favor of population strata with direct or indirect access to scarce high quality goods which they purchase at fixed prices.

Nor should we ignore the significant fluctuations in retail prices of identical commodities sold through various outlets. Actually, this proves the existence of several markets in the country, which differentiate among variety, quality and cost. In principle, the various forms of trade should supplement and support each other, ensuring the better servicing of the customers. However, the fact that the different social groups have different

access to one or another trade outlet creates a specific form of social inequality and essentially means the shaping of consumer markets with different purchasing power of the ruble. Yet the initial premise of the wage system is "ruble equality" as a measure of consumption. The disparity among such approaches leads to the violation of socially substantiated proportions of wages earned by different categories of working people and lowers the efficiency of material incentive.

The third aspect of the problem is related to a proper demarcation between paid and free allocation of benefits. Clearly, this must be based on the socioeconomic functions which are assigned to distribution according to labor, on the one hand, and social consumption funds, on the others. Thus, according to one of the viewpoints, social consumption funds should provide a uniform socially necessary minimum of benefits to all members of society, such as housing, education, medical services, etc. All such benefits, consumed over and above the stipulated minimum, should be paid out of personal income. Obviously, other socioeconomic criteria for the classification of free and paid distribution of benefits could be formulated.

In practice, however, essentially such criteria have been replaced by material ones: some items (foodstuffs, clothing, shoes, utensils, furniture) are sold for cash; others (housing, education, health care, etc.) are either free or cost very little. This practice suffers from major shortcomings. Above all, it artificially limits the variety of items which the population could purchase with the money it has earned and, therefore, it lowers interest in engaging in intensive and efficient work. It is difficult to explain, for example, why it is that a skilled and well-paid worker has the possibility of buying furniture, a refrigerator and television set but must wait for a number of years before he can be granted an apartment, whenever that is possible. The house building cooperatives, should be able to solve this contradiction. Their existence, however, confuses the matter even further by making the criterion of paying or not paying for benefits entirely vague.

The free distribution of goods and services which are most scarce (which precisely applies to housing and health care) cannot fail to result in their wasteful use and artificial increase in their scarcity. Furthermore, various deals frequently concentrate on the distribution of free (or semi-free) benefits--speculations in state housing, leasing surplus housing at higher prices, exchanging housing involving major cash payments, etc. The principle of paying for services and uniformity of prices for the same items throughout the entire country would eliminate such shortcomings.

Finally, sociological studies indicate that the distribution of free benefits from social consumption funds favor not the lower- but the higher-paid groups. Yet one of the most important functions of the social fund is to compensate to a certain extent for the principle of distribution according to labor and to balance its forced "inequity" toward those who, despite their greatest wish, cannot work efficiently, above all the sick, the very old or those who have not attained the minimum employment age. All of these considerations indicate, it seems to us, the need to broaden the realm of paid services, which would include increases in and an equitable differentiation among rental payments, according to the quality and location of the premises.

The sum total of additional payments made by the population to the state must be mandatorily refunded through corresponding increases in wages, pensions, scholarships, etc. Since this amount will obviously run into the tens of billions of rubles, a reserve sufficient for radical improvements in the wage system will be concentrated in the hands of the state.

It is hardly necessary to prove the tremendous social significance of such steps, for they directly affect the material interests of all social groups. Therefore, a thorough scientific work on such problems in their interconnection is necessary, in order to take maximally into consideration all aspects of social justice and the true interests of the different population groups. The sooner the scientists--economists, sociologists and workers in the other social sciences--start working in this area, the faster we shall be able to create conditions for reaching a higher level of social justice. The persistent solution of this set of problems will be a powerful means for enhancing the human factor and eliminating adverse trends and decisively accelerating the socioeconomic development of our society.

Editorial note: In publishing the article by Academician T. Zaslavskaya, the editors ask the readers to participate in the discussion of such understudied debatable problems and to contribute their articles, letters and thoughts, which the journal intends to publish in its new section "Discussions and Debates."

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## Man of the New World: Concerns, Ideals, Values

### CHERLAK NEEDS 'ECCENTRICS'...

MOSCOW KOMMUNIST in Russian No 13, Sep 86 (signed to press 2 Sep 86) pp 74-76

[Article by T. Iskantseva]

[Text] A good people's theater.... Its very life somehow reminds us of a family in which people who are spiritually close are pleased to spend more time together. The more I travel around the country, the more I become convinced of this truth. I already know that if amateur artists hasten to go to the club after work, although not all of them are participating in the current performance, and if after rehearsal they are in no hurry to go home, and if they celebrate holidays together, it means that everything with this theater is as it should be. For amateur art without good and strong comradeship is like dough without yeast--it does not rise.

We speak a great deal of the fact that amateur artistic activities are one of the means of organizing the recreation of the working people. Occasionally, however, we forget that this also represents the creativity of the masses, born of the irrepressible attraction to art. The results are striking in terms of the impact of artistic influence! This means that beauty enters the hearts of hundreds of people who crowd clubs and culture homes and palaces.

...Actually, I that was not in my mind during my latest trip. Cherlak welcomed us with its real Siberian cold, amazing whiteness and rural silence strange to the ear of an urban dweller. "Cherlak" is a Turkic word which means a "stop on the way." It was here, in this small worker settlement, 3-hour drive from Omsk, that directors from Siberia, the Urals, the Volga area and the Far East, participants in the conference on "Popular Theater and its Role in the Spiritual Life of the Village" gathered. The meeting was sponsored by the All-Russian Theatrical Society and its Omsk department, the oblast culture administration and the culture department of the Cherlaskiy Rayon Ispolkom. The local people's theater was the welcoming host. The moment we stepped off the bus, girls from the amateur art collective, wearing their tunics and peasant headdresses and carrying the traditional bread and salt in kerchiefs, rushed to welcome us. That same evening they welcomed the guests at the rayon house of culture in Ukrainian national dresses, for they were performing "In the Steppes of the Ukraine." The play itself began in the lobby, where a real popular celebration was taking place. The musicians from the wind instruments orchestra--children from the boarding school--were doing

their best. Dancers, members of the folk song and dance ensemble, were inviting the public to traditional waltzes and the Ukrainian gopak. Earthenware bowls filled with appetizing dumplings were being served to the public by the participants in the show.

The Cherlak amateur actors had combined in their play two plays by Aleksandr Korneychuk, which they had named "In the Steppes of the Ukraine." At first, its characters showed up as happy-go-lucky, and jocular Ukrainian kolkhoz members, after which they turned into the harsh partisans of the Great Patriotic War. The theater had been able to bring to the public the truth of human feelings and destinies and to generate a feeling of empathy.

After which, the Cherlak actors performed the droll spectacle "Crime and Punishment," based on Mikhail Zoshchenko's works. The stories of thieving "store toilers" and of the cowardly thief who had been left by his own wife with nothing, were presented in such a lively, witty and gay manner that the hall literally exploded with laughter. However, it immediately became serious when the story of the life and works of the author was recited.

The shows by the people's theater of the house of culture are always full. This is despite the fact that each family has its television set with which a number of professional theaters occasionally cannot compete. The reason? The Cherlak actors have an interesting repertory: A. Ostrovskiy, M. Zoshchenko, A. Korneychuk, V. Rasputin, N. Ankilov.... They tirelessly work at performing mastery. This is demanded by respect for the profession, albeit a secondary one. The main thing is that they generously share with others their enthusiasm and love for this art.

For a number of years Boris Rozantsev, an actor performing at the theater in Omsk, has sponsored the Cherlak people's theater. His sponsorship is not for the sake of submitting a good report, for he attends rehearsals, works late into the night with the amateurs, invites them to performances in Omsk, and helps them with their repertory. Mikhail Stepanovich Gladkov, the raykom secretary, literally lives with the concerns of "his own" people's theater. I heard him say this:

"The people of Cherlaskiy Rayon love their people's theater; it has become our cultural landmark. The amateur actors deem it their duty to appear on all rayon club stages. They fear neither cold nor slush nor impassable roads. They are people's actors in the true meaning of the term!"

Let us name at this point the people thanks to whom the modest house of culture here has become a true cultural center of this small settlement and in which the people of Cherlak, who previously were not particularly interested in the art, have become enthusiastic theater lovers. Their names are found in the theater's programs: "Director A. Yantsen. Setting and costumes, M. Kukushkina. Props, G. Yantsen." This is an amazing family of enthusiasts, loyal to this art, who have dedicated their lives to its service.

Alvina Yantsen, the director of the people's theater, is by nature and inclination a mother, but her fate was shaped by her love for this art. Nina Fedorovna Kukushkina is a most unusual person, one of those considered, as the

saying goes, a pillar of the earth. To this day, in her seventies, she is striking by her tirelessness and her ability to be everywhere and do everything with inexhaustible energy. She will never complain, although her life has not been easy. She was a very young girl when her father, a printing press setter, a clandestine Bolshevik, contracted tuberculosis and the family, native Omsk people, had to abandon settled areas and move to the small Ust-Ishim village, closer to the forest and to clean air. At the age of 19, Nina became a teacher. Subsequently she graduated by correspondence from the Tarsk Normal School. Today she visibly becomes younger when she recalls the respect with which she was treated, as a young, thin, long-haired girl, by the children, their parents and the local elders: "In the past no one could hold a higher position in a village than the teacher."

It was in childhood that Nina discovered her liking for creative work, a natural talent. Today she wonders smilingly: where did this come from, for no such eccentrics ever existed in the Kukushkin family. To this day she recalls the way she, a young girl, was sent by the family to mix clay with her feet whereas she made toys from that same clay and started a game, forgetting everything else. Nina performed at the house theater she had set up herself or at the Omsk metal workers' club which was rehearsing "Blue Shirts."

In Ust-Ishim as well, the young teacher immediately assumed a pile of projects. She prepared concerts in the reading room, wrote chastushki for them and organized various circles at the Pioneer House. She then organized a drama circle, staged shows, performed and, if necessary, made the sets and sewed the costumes herself. She never neglected such "petty matters." She always believed that nothing in something you like is too petty.

Yet her life at that time was not easy: Nina Fedorovna lost her husband early and raised two daughters and a son alone. The family had a hard time surviving on her small salary. However, she did not neglect the amateur theater. At that time, more work was added there: the amateur collective became famous in the oblast, was given the title of people's and, as we know, noblesse oblige. It was then that Alya came to the aid of her mother.

After her graduation from the eighth-grade school, she went to Omsk and worked at the plant as a turner. It was there that she met and married Gennadiy Yantsen. She then talked him into going back to Ust-Ishim. She was aware of working at something which, although respectable, was not "her thing." In her native village everyone was familiar with Alvina's inordinate energy. She was asked to head "mother's" theater: Nina Fedorovna was finding it somewhat difficult to manage alone. Work was found for Gennadiy Yantsen as well: he became a welder at Selkhoztekhnika and "by combination of professions" stage manager, head of the music department, lights technician and actor. Yantsen's daughters grew up at the theater--there were two of them--spending all their free time in the club and taking part in the shows.

The family then moved to Cherlak. At one point, a drama circle had been organized there at the house of culture but, gradually, amateur activities in the settlement had declined. Nina Fedorovna and Alvina toured the homes looking for theater amateurs and enthused the people with their own faith in the fact that there will be a theater in Cherlak. For their first



presentation they chose Ostrovskiy's play "Whim." At that time Nina Fedorovna literally moved into the house of culture with her old sewing machine and personally sewed all costumes. Alya tirelessly rehearsed and, together with her husband, cycled around the settlement summoning the actors for their next rehearsal. The premiere brought the initial success and entire families began to patronize the theater.

Now, looking at all of them, at rehearsals, performances and discussions of new projects, one is amazed at how beautiful these people are. It is true that human beauty depends not only on nature: it is rewarded and given a spirit by a rich life. Today the people of Cherlak cannot even conceive of their settlement without a people's theater.

"What do we get from our performances?" Anna Ivanovna Sysenko, honored teacher of the RSFSR vocational and technical training, repeated my question. "The happy feeling of spiritual relationship, a community of interests. Personally, our theater has helped me to establish proper contacts with students and make classes more interesting. What is there to say, to us the theater is like our own family...."

The people's theater is the focal point of cultural life in the Cherlak settlement. However, this life is not limited to it. Guests of the house of culture are proudly shown the "room of tales," developed through hard work by Nina Fedorovna Kukushkina. It is not for children only. Original creations made of walnut shells, bark and roots related to various tales are exhibited in a large number. It is in this room that the children of the settlement gather in the morning, to listen to stories usually told by Alvina. She now has her assistants, who are the pupils of the children's drama studio she organized. In the evening adults will come to sit around the samovar.

However, work in the "room of tales" does not satisfy this extraordinary Nina Fedorovna. As before, she helps to prepare costumes and sets for the shows. For example, she sewed the costumes of all 70 actors performing "In the Steppes of the Ukraine" without a single duplication! She wove the rugs for the lobby of the house of culture for the premiere of Valentin Rasputin's "Final Deadline," for it was there that the performance took place. She personally played the main character, the old woman Anna, and was awarded for this role a diploma by the oblast's "Theater Spring." She made the puppets for the children's puppet circle. Above all, she generously shared her skill with others. It is truthfully said in the settlement that Nina Fedorovna has not only golden hands but a golden heart. This amazingly warm person and people's master, undertook to conduct a circle of applied art in the boarding school and speaks of her pupils in touching terms.

Most of the students at the boarding house come from families in trouble, those who precisely are short of parental caresses and warmth. To many of them Nina Fedorovna has become mother and that is what the children call her. "It may happen," she says, "that a youngster would come who is unable to make even a simple apple out of play dough. But then those little eyes beg you: 'please take!' and I cannot refuse. Naturally, I ask the teachers who are the most capable among the children but, anyway, I take all of them. And you

know, it seems to me, that every person, if he wants to, can create beauty. If only that beauty could be applied to the work...."

The accuracy of Nina Federovna's thought is confirmed by the creations of the children, kept at the boarding house classroom. She does not simply develop in the children the ability to master something. She teaches them how to see the beauty of the world and to share it with others. The children's drama studio, the satellite theater in the school and the puppet circle at the boarding school are all developments in Cherlak thanks to the energy of her daughter Alvina. It was she who gathered in the house of culture for a memorial evening war and labor veterans, workers at the local plant for artistic ceramic goods. The children from the children's studio read to them poetry about the war. She organized a meeting between actresses from the people's theater and Cherlak women who had experienced the war: they sat until late at night around a table with the steaming samovar and simple home cooking, recalling those distant days, quietly singing the songs of the war years. Alvina is confident that people must become accustomed to the theater from childhood and she organizes evenings of poetry in the schools, and meetings with amateur actors. And if after their studies in other cities, some Cherlak people return to their native settlement, this too is to her credit. Briefly, like her mother, Alvina has more than she can cope with. Yet she was also able to graduate by correspondence from the Altay State Institute of Culture and earn a director's diploma.

Yes, naturally, she is tired and the work is hard. But, as she frequently says, people are happy in different ways. Alvina Yantsen's happiness is that type of inordinate life, crowded with events and projects.

"I like work more than anything else," she acknowledges. "Perhaps I can do nothing else. Someone must do this, so why not me? You understand, people who come to our theater believe, the way I do, that they are doing something necessary. They are right, if possible one must help humans to become more human...."

Possibly, looking at Alvina Yantsen's life, someone may raise his shoulders in puzzlement: an eccentric. Perhaps, but Cherlak, and obviously not only Cherlak, needs such "eccentrics!"

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## SOCIAL POLICY, DEMOCRACY, SELF-GOVERNMENT

### SOCIALIST SELF-GOVERNMENT: POLITICAL-ECONOMIC ASPECT

Moscow KOMMUNIST in Russian No 13, Sep 86 (signed to press 2 Sep 86) pp 77-88

[Article by A. Auzan, candidate of economic sciences]

[Text] The stipulation formulated at the 27th CPSU Congress on the intensification of socialist self-government in the economy as an organic part of the problem of development of socialist self government as a whole is a manifestation of the basic practical need for the sharp acceleration of our socioeconomic progress. In formulating the precise "social instruction" of socialist political economy, this stipulation highlights, above all, a major gap in modern scientific knowledge concerning socialist economic management.

The CPSU Central Committee resolution "On the Journal KOMMUNIST" emphasizes the urgent need to formulate a concept for the further democratization of society, based on the intensification of the socialist self-government of the people in all its aspects. Let us acknowledge, in this respect, that until recently the concept of "self-government" was virtually unused in Soviet political economy. Furthermore, it triggered a negative attitude on the part of most economists, who considered any attempt at using this category a manifestation of anarcho-syndicalist ideas alien to Marxism. Were there real reasons for such a position? Naturally, the formulation of the idea of self-government unrelated to the basic Marxist-Leninist stipulations is fraught with the danger of moving backwards toward a thinking stereotype strengthened over the centuries of a corresponding "atomistic" market economy or individual and group ownership. However, the just rejection and criticism of such approaches, as being totally inadmissible under the conditions of the domination of public socialist ownership of the means of production, cannot be considered in the least a justification for the passive attitude on the part of Marxist political economists toward the positive elaboration of problems of self-government under socialism. Silently assuming a "postponement" of self-government until the advent of the higher phase of communism, such "negativistic" concepts separated the self-governing activeness of the working people from specific socialist production relations and actually pitted such activeness against state management.

In this context, the sharp criticism of a number of existing interpretations of self-government under socialism, which was voiced at the December 1984 All-Union Practical Science Conference, is exceptionally topical and, clearly,



demanding further interpretation by the representatives of political science (and social science as a whole). "Some of them," M.S. Gorbachev said in his address, "relate self-government to the activities of individual cells within socialist society (production or territorial); others pit it against governmental management; others again postpone the practical implementation of the principles of self-government until the transition to the higher phase of communism."

Marxism-Leninism has a firm tradition of analyzing problems of self-government, which must be taken fully into consideration in contemporary research (including in political economy) and in practical decision making.

## I

The Leninist concept of self-government, which lies at the base of the present party course of developing the self-management activeness of the working people, is based on the study of the development of the nature and forms of economic management found in Marx's "Das Kapital." The study of the development of capitalist production indicated that separating ownership from labor presumes a despotic form of managing the capitalist enterprise (see K. Marx and F. Engels, "Soch." [Works], vol 23, pp 342-343, 369). Separating ownership from management (separation between capital-ownership and capital-function) leads to the appearance of a professional management of someone else's property by officials (op. cit., vol 25, part I, pp 479-482); in other words, management becomes bureaucratic. Nevertheless, the all-round socialization of production, as the historical result of capitalist change, creates the opportunity and need of combining ownership, labor and management within the framework of a new communist production method based on direct social ownership (ibid., p 480).

Said aspects of classical political-economic legacy lead us to the two following conclusions: 1. the specific dialectics of ownership, labor and management, which are separated or interconnected through production relations existing within a specific production method, are the foundation for the development and changes in the nature of production management; 2. the bureaucratic type of management, which must be eliminated in the course of the establishment and development of socialism, is the complete manifestation of the division among ownership, labor and management.

The elimination of bureaucratism in economic management turned out, as Lenin predicted on the basis of the initial experience in the Soviet system, a rather difficult matter, taking several decades. Furthermore, historical experience indicated that at some stages in the development of socialism a revival of this social phenomenon may be noted. The 27th CPSU Congress and the June 1986 Party Central Committee Plenum noted (among other recent phenomena of stagnation and negative developments) the spreading of bureaucratism in economic management, which is a fierce opponent of the extensive participation of the people's masses in management. The party formulated radical means of struggle against bureaucratism including, above all, the further democratization of management.

A major theoretical prerequisite in solving this strategic problem is political and economic research on the objective dialectics of ownership, labor and management under the conditions of a communist production method as a whole and during its first phase.

The 27th CPSU Congress drastically increased the relevance of the key methodological problem of Marxist-Leninist political economy: the problem of the form of economic realization of ownership. Let us emphasize in this connection that historically and logically the first, initial and mandatory form of economic realization of socialist ownership is the planned organization of the entire public economy, materially based on the high level of technological socialization of production. It is only through such organization that socialist ownership, in its real economic meaning, can be reproduced as belonging to the whole nation rather than a group. The planned nature of the socialist economy, the planned economic management system, are the radical advantage of socialism as a superior social system compared to capitalism, and its basic communist-wide substantiation. Based on the fact that socialism is the planned organization of the social production process "encompassing the entire society" (see "Poln. Sobr. Soch." [Complete Collected Works], vol 6, p 232), Lenin wrote: "Labor is united in Russia in a communist manner to the extent to which, first of all, the private ownership of means of production has been eliminated and, secondly, to the extent to which proletarian state power organizes on a national level large-scale output on state land and in state enterprises, allocating manpower among different economic sectors and enterprises and distributing the consumption products belonging to the state among working people" (op. cit., vol 39, p 273).

The planned organization of public production in the Leninist understanding of the term not only does not oppose self-government but forms its most important prerequisite and initial foundation. To begin with, a planned organization is the only possible means of ensuring the governability of broad-scale economic processes, which are only possible under the conditions of the level reached in production socialization. Without ensuring the governability of the economy as a whole and controlling its development, any purposeful management (not to mention a democratic one) is nothing but fiction. Second, the subject or, as Lenin wrote, the "director" of socialist planning (see op. cit., vol 6, p 232) is the entire society of working people. The practical meaning of this Leninist concept is that successful economic management on the scale of society is possible only with the involvement of the broad toiling masses.

The trend of democratization of economic management is organically inherent in a planned organization. However, it is not automatically manifested but requires steady and energetic work in that direction. The absence of such work, which was one of the lessons learned from our development in the 1970s and 1980s, leads to the nonrealization of the advantages of a planned economic management system and, furthermore, to their conversion, under certain circumstances, into their opposite. This was manifested, above all, in the extensive dissemination of an economic ill such as negligence which, as was emphasized at the June 1986 Central Committee Plenum, is today "not only intolerable but also unbearable."

Negligence means uneconomical, wasteful and irresponsible use of public property by departments and enterprises and at work places. It includes certain economic contradictions which stem from the lack of "feedback" between national economic management and the interests and activities of the individual worker. Efforts to surmount such difficulties by increasing detailed centralized regulation of collective and individual activities and excessive administrative control over them are identical to the bureaucratization of the economic management process. The latter, in our view, is the unsuitable method for meeting a vital need for socialization of economic management: involving the mass of the workers in such activities despite a growing separation of management from productive toil. The objective law is manifested here in its negative aspect and triggers specific economic problems: increased cost of the professional administrative apparatus, lowered competence of managerial decisions (as a result of the separation between managing authorities and actual production processes), overburdening of the center and reduced efficiency of centralism as a whole.

The most important prerequisite for upgrading its efficiency and for a form of management socialization consistent with socialism (as well as ensuring a "feedback" in the mechanism of realization of ownership) is self-government by the working people, which combines labor with management. Self-government in economics is, in other words, a special form of realization of socialist ownership in the activities of its owners--the members of the society of working people.

Specific forms of unity between socialist ownership, labor and management are inherent in socialism in all of its stages. However, the specific manifestations of this participation vary, historically changing and developing. Particularly important today is the study of the elements of self-government which are already actually functioning, and the identification of their future development on different economic management levels.

2

In describing the initial steps on the way to production management by the workers, Lenin acknowledged "a single way: reorganization from below, so that the workers themselves can formulate from below the new foundations for economic conditions" (op. cit., vol 35, p 274). Today an example of such "transformations from below" is that of the cost accounting brigades, which manage their own affairs independently. It is precisely on this "lower" level that the ideas of self-government are tested and trends and means of its further development and intensification are formulated and extended to the higher levels of production organization. "Already today progressive cost accounting brigades become the primary cells of self-government, who choose their own managers," the Central Committee political report to the 27th Party Congress noted. "Practical experience proved the vitality of this project."

The clearest manifestation of self-government in this case is the extension of electivity and competitiveness in replacing direct production managers. Experiments in the development of the elective nature of brigade leaders, foremen and shift chiefs are already being carried out (the Kommutator Plant in Riga and the Kursk Leather Association). However, this is by no means the



limit, for the congress' decisions presume the extension of electivity to the heads of sections and shops.

It is important, however, to note in this connection that electivity in itself does not turn the workers into subjects of administrative decision making. It does not guarantee that the will of the electorate will be implemented if the production unit itself has not been given some independence and the role of the elected manager is reduced merely to implementing orders "from above."

Another important feature of self-government is the economic contract which is a manifestation of the development of the autonomy of the labor nucleus in the use of public property and responsibility for the results of self-governing activities. The actual stages in the development of brigade autonomy and the means of strengthening it in our country and in the other socialist countries are specific economic forms, such as work based on a single order, total brigade cost accounting and, finally, the contracting order which extends the autonomy of brigades to the means of production assigned to it. Despite the entire significance of intra-cost accounting and contractual relations, we believed that it would be improper to identify the extension of these forms with the development of self-government. The economic contract is one of the prerequisites for self-government: without elected managers it enhances the role not of the brigade collective but of the brigade leader, who becomes a sui generis independent "owner." The importance of electivity and contract is, in our view, that in their unity they act as the necessary and adequate prerequisite for the development of self-government, as an initial factor and form of combining labor with management in the activities of the primary labor cell. The essence of the self-governing cell should be sought not in promoting one organization or economic form or another but in corresponding production relations. The latter mature and are manifested in economic self-government only at some level of development of production forces.

In other words, brigade self-government presumes a certain technical nature of the production process. Naturally, even before the appearance of "collective labor brigades" the work of "microcollectives" as structural units within enterprises was of a collective, a cooperative nature. However, whereas workers directly included in the technological process are merely a subordinated "individual factor" of the production process, the brigade, as a link in the cooperation of labor, is not a link in the association of working people, independently managing the production process. It is only real changes in the technological organization, which create possibilities of changes in labor, combination of professions and implementation of various systems of interaction among workers, that leads to the appearance of elements of association in the production process itself.

The essence of self-government on this level lies in the development of collective forms of organization of labor and distribution. In this case the collectives themselves control brigade membership, the assignment of labor functions and the combined earnings.

Experience in independent staffing of brigade collectives has already been gained in our country (in crop growing brigades) and abroad (in Bulgaria, for example, the administration has no right to interfere in staffing brigade

collectives providing that the latter can successfully cope with their assignments). In a number of cases the brigade itself plans its activities: it is given exclusively assignments in physical terms and variety, which offers the possibility of substantiated "self-planning" of brigade activities. Finally, the extension of the principles of collective distribution is the most efficient wherever the entire earnings are allocated on the basis of the labor participation coefficient.

Therefore, it is a question of the simplest type of collectivity and association of working people, regulating the actual linkage between workers and means of production, and distribution according to labor, i.e., the exercise of key economic processes. An important aspect of the matter here is determining the optimal size of the brigade, ensuring the coincidence between straight social and individual relations.

Brigade self-government is a structural link of the self-government of the labor collective of the socialist enterprise (association).

The growth of brigade self-government in a higher form of self-government of the activities of the working people is related, above all, to changes in planning and management within the primary units of our economy themselves. The extensive dissemination of brigade labor forms creates the possibility of restructuring intraplant planning. For example, at the Borisov plant for automotive and tractor electrical equipment, where the majority of the workers are included in the brigade organization system, brigade plans are an important base for the formulation of plans by superior subunits. Furthermore, a clear trend is becoming apparent in the development of self-government authorities on the enterprise level as well. Thus, compared with brigade councils (which have existed for more than a decade at the AvtoVAZ), a major step was taken in the "Kaluga variant" of the contracting order (a similar council is currently operating at the Moscow Kompressor Association). At the Ivanovo Mixed Yarn Combine councils of foremen are actively participating in the management process. Finally, the idea of creating a labor collective council has also been practically tried: the collective council initiated the reconstruction of the production process at the Kiev Experimental Shoe Manufacturing Association.

The conditions related to the development of self-government on the level of the basic production unit are related, above all, to the ways and means of expanding the autonomy of enterprise and association economic activities. On the surface such autonomy seems to coincide with the self-government of the labor collective: "The greater the autonomy of the enterprise, the stronger self-government principles become." In reality, however, the correlation between autonomy and self-government is much more complex, for the term "enterprise independence" includes heterogeneous economic phenomena.

Let us recall in this connection, for example, that in the transitional period from capitalism, a commercial, a marketplace form of independence of enterprises within the socialist sector existed in our country, which granted them exclusive extensive rights in conducting their economic activities. In substantiating the need for ensuring the "conversion of state enterprises largely to a commercial, a capitalist basis," Lenin insisted on concentrating

"full power in the hands of plant managements" (op. cit., vol 44, pp 343-345). Therefore, expanding the autonomy of economic units within stipulated forms could mean strengthening the economic power of administrations rather than the development of self-government by the working people.

At the present stage in the development of socialism as well, some trends in the development of the autonomy of the basic production unit do not contribute in the least to the development of self-government of labor collectives. Thus, we know that a trend toward a characteristic "naturalization" of enterprise activities, which develops as a reaction to shortcomings in material and technical procurements (such as "amortizing" shortcomings in planned procurements), is manifested in the creation of inefficient enterprise auxiliary production facilities and subunits which duplicate the variety of procurements, using the "people's construction project," method, etc. This draws skilled manpower into unskilled work and the appearance within the enterprise of "labor duties" which hinder true initiative and enterprise on the part of the labor collective in the most important areas of scientific and technical progress. The other real trend in the independence movement is related to the egotistical monopoly use of the national economic significance of enterprises (associations), displayed, in particular, in departmental pressure applied on planning authorities and procurement agencies with a view to "extracting" extra planned resources and capital investments and dictating conditions to consumers. Such forms of autonomy as well hinder the development of self-government by creating grounds for a passive independent attitude at the expense of society.

The development of independence, in our view, becomes a necessary prerequisite for self-government only when, first of all, its actual content is consistent with the specific historical level of production socialization which has been reached and with the planned nature of the socialist economy, rather than the requirements of the free play of forces on the marketplace or else to conditions of exclusive functioning of self-satisfying natural-economic units. Secondly, when autonomy in the utilization of national assets is supported by an efficient cost accounting mechanism of material incentive and material responsibility on the part of the enterprise's collective for end results, which presumes a healthy socialist-based (i.e., based on the essential interests of socialist economic management and, above all, on the principle of distribution according to labor) functioning of commodity-monetary relations. A major step toward the development of collective material incentive is raising wage rates and salaries with funds earned by the labor collectives, earmarked in the Basic Directions in the Economic and Social of the USSR in 1986-1990 and the Period Until the Year 2000.

Objectively, the cost accounting material incentive of collectives contains a contradiction related to the fact that the results of enterprise work depend most vitally not only on the work of its personnel but also on the quality of management: consequently, even despite shock labor the collective may be "penalized" for errors made by the administration. However, it is precisely this contradiction that calls for intensifying the extent of participation of the labor collective in the economic activities of the basic production unit. The 27th CPSU Congress considered that the final solution of a number of problems should be left to the labor collective.



At the present time, enterprises face problems which cannot be efficiently solved without the development of such self-government. This includes, in particular, the even distribution of job assignments among workers, setting up collective subunits based on the people's interests, basing distribution on the labor participation coefficient for the entire personnel and ensuring rhythmical work.

The solution of these problems presumes the drafting and universal dissemination of new progressive organizational-economic methods. Some of them have already been tried out at enterprises in the USSR and the fraternal socialist countries. Thus, an interesting system for controlling employment, involving the participation of the workers themselves, is being used at the chemical combine in Schwedt (GDR): the social council, working under the administration, plans a reduction in jobs for 1 to 3 years in advance; not the worst but the best workers are released and are then offered jobs in the scientific-production subdivisions of the company. With a view to ensuring the rhythmical nature of production, Bulgaria uses the system of concluding interbrigade contracts, according to which any damage from procurement failures is paid out of the wage fund of the guilty brigade. In our view, such a practice can substantially upgrade the efficiency of the system currently used at some Soviet enterprises regarding cost accounting penalties, the effect of which is limited to the amount of the material incentive fund without essentially affecting earnings.

Extending the principles of collective distribution to the level of the basic production unit raises the new problem of the collective consideration of the labor of engineering and technical workers with a view to its effective stimulation. Such experience has yielded major results in construction trusts engaged in laying gas pipelines.

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Limiting self-government to the level of the basic production unit is a characteristic feature of anarcho-syndicalism. Whereas the latter surrenders, consciously or subconsciously, its ruling position in the public economy to the uncontrolled marketplace, from the viewpoint of Marxist-Leninist political economy the transition to socialism presumes the substitution of planned-centralized economic management by the whole people--economic management on the scale of society and for its sake--for the blind play of market forces. This also means the appearance of a national economic management level, within which the distribution of means of production is controlled among the individual sectors, i.e., is carried out on a planned basis in accordance with the social production structure and that of scientifically determined social needs. The existence under socialism of two levels of economic management--not only the basic production unit but also the national economic one--naturally raises the question of self-government as applicable to the latter.

The most important category which brings to light the essence of the dialectical interconnection between the two levels of economic management--democratic centralism--was described at the 27th CPSU Congress as the "inviolable principle" of socialist planned economic management. Objectively inherent to the superior echelon of this leadership is not only a "centralist"

but also a "democratic" component of this principle, which presumes social activeness in solving economic problems on a national economic scale. It is precisely thus that Lenin formulated the problem, emphasizing the need for worker management of "industry on a national scale" (op. cit., vol 37, p 140).

Today this task is formulated by the party as developing "socialist self-government by the people." What does the term "people" mean in a political-economic sense?

The creators of Marxism used in terms of the future production method the category of "association." The "association of working people" is a strictly political-economic concept which reflects a specific socioeconomic relation which replaces competition among "atomized" individuals. The appearance of an association is as legitimate as the development of the social nature of the production process. Lenin wrote about a single process "which increasingly socializes the country's production process and the participants in the production process" (op. cit., vol 3, p 551). The elements of the process, which "socializes" the participants in the production activity, are trends described in Lenin's works, such as the development of population mobility, increased contacts between working people and the growth of their associations and unions, the increased level of needs and the development of the worker (see *ibid.*, pp 550-551, 599-600).

A variety of associations exist, extending to all areas of the most important economic processes. The association is a general "planning director," operating as the associated manpower, the associated producer and the associated consumer. On the surface, determining the type of associations corresponding to the structure of economic processes seems of purely theoretical interest. Essentially, however, this is extremely important in practical terms, for in this case theory offers a guideline in understanding the system of economic self-government and enables us to see the various areas in which it develops and to identify the most relevant among them.

Lenin's draft of the second party program provides a comprehensive political-economic characterization of the socialist self-government system: "In the economic area: socialist organization of production on a national scale: management is provided by worker organizations (trade unions, factory-plant committees, etc.) under the overall guidance of the Soviet system, which is the only sovereign one" (op. cit., vol 36, p 74). The association realizes its dominating and guiding significance in the socialist economic system through a system of state management of economic life. The possibility of development of self-government by the people not as a counterweight to statehood but within its framework and through establishes the specific nature of the socialist state, which changes from a machinery of coercion into a "nonstate," a universal organization which owns the means of production of the working people; it performs the function of a socioeconomic center and really represents the association of working people, who are the main subject of economic management. The soviets of people's deputies are the most suitable associations and the main link in the state self-government by the people.

The national economic nature of production socialization and the effect of the law of planned development of the socialist economy determine the prime

significance of the activities of the soviets in the implementation of the centralized management functions. It is precisely through the system of Soviet institutions and its "higher echelon" that the central economic bodies of the socialist state are formed and the program for their activities ratified. The increased role of the supreme soviets, therefore, becomes a leading factor in ensuring the priority of national interests and the successful struggle against departmental exclusivity.

The direct participation by all members of the society of working people in making nationwide decisions, including economic ones, is an inseparable feature of the socialist self-government by the people. The CPSU program pays particular attention to this area of democratization, stipulating the extensive use of referendums on most important problems, a comparison of views, etc. For example, no proper attention can be paid to the efficient utilization of natural resources without the direct participation of the masses. This was clearly emphasized in the CPSU Central Committee and USSR Council of Ministers decree "On Stopping the Work on Transferring Some of the Stock of Northern and Siberian Rivers," which stated that the decision was made "on the basis of the need for further studies of the ecological and economic aspects of the problem of transferring some of the stock of Northern and Siberian rivers, which is also favored by the broad public circles."

The economic functions of people's self-government are not implemented exclusively on the "upper echelon" of the soviet structure, but also to a considerable extent on the local level at which the masses become involved in the formulation of economic decisions and their implementation by the working people themselves. The economic rights of the local soviets are currently being expanded in a number of areas. Let us mention two of them. First, the soviets directly handle most important nonproduction assets (housing, above all), which can be described as human "means of production," and factors in human activities. It is precisely by improving the work of the local soviets in said area that the tasks of radical democratization in the distribution of housing and the use of public consumption funds as a whole, set by the 27th CPSU Congress, can be implemented.

Second, as was clearly noted in the recent CPSU Central Committee, USSR Supreme Soviet Presidium and USSR Council of Ministers decree "On Steps for Further Enhancing the Role and Increasing the Responsibility of Soviets of People's Deputies," the soviets are becoming the most important object of territorial planning and management (some experience has already been acquired, as in Leningrad and Poti). The key significance of governmental aspects of people's self-government in the economic area does not belittle in the least the economic role of nongovernmental, of social forms.

In this context, let us pay particular attention to the fact that the Leninist concept of self-government in the economic area ascribes an important role to the trade unions. In emphasizing the important role of the trade unions and the need to preserve this form of unification of the working people alongside governmental forms, Lenin wrote that the trade unions "have lost a foundation, such as the class-oriented economic struggle. However, they have by no means lost and for many years in the future, unfortunately, will be unable to lose a foundation such as a non-class oriented "economic struggle," in the sense of



the struggle against bureaucratic distortions of the soviet apparatus and safeguarding the material and spiritual interests of the toiling masses through ways and means inaccessible to this apparatus, etc." (op. cit., vol 42, p 297).

The efforts of the anarcho-syndicalists (in particular those of the counterrevolutionary syndicalists in Poland at the turn of the 1980s) to turn the trade unions into a separate political force opposing the socialist state, actually undermine the self-governing potential of this form of unification of the working people and lead the trade unions away from the socioeconomic problems the solution of which contributes to the strengthening and cleansing of bureaucratic "growths" in the entire state apparatus. Pitting Marxism against anarcho-syndicalism in this matter makes particularly topical the positive study of the economic functions of trade unions in socialist society.

Unfortunately, this topic has been virtually ignored in political economy. Yet it is a question of a very important element in the mechanism of linking the workers with the means of production and the subject of the collective contract regulation of such unification. We believe that the functions of this form of self-government are related not only to controlling labor conditions and wages or defending the social interests of the working people. The latest trends in economic development trigger major problems, many of which can be efficiently solved precisely on the basis of the self-government of professionally organized workers. Thus, the growth of productivity and the transformation of the "conditional release" into a real reduction in the size of cadres call for ensuring the dynamics of employment on the basis of the full and accurate consideration of the interests of the working people. This is one of the long-term tasks of the trade unions as a form of self-government by associated labor.

The self-governing agencies at enterprises are also units of a single nationwide association. Let us recall Lenin's words on plant organization cells "for building all of the government's life" (see op. cit., vol 35, p 147). The main channel through which they affect national economic life is universal participation in the formulation and implementation of the national economic plan. The experience already available in counterplanning has indicated the basic capability of the masses to formulate plans independently. The conversion of the counterplan into an element of a general state plan which is taking place (as particularly manifested in the formulation of the 12th 5-Year Plan) is the discovery of a certain form of dynamics and of solving the contradiction between "self-planning" by labor collectives and centralized planning by directive. We also believe that the counterplan, in its present content (for the time being it is essentially limited to problems of development of the individual enterprise) is merely a transitional stage leading to truly national economic self-governing functions. Further developments in this direction, in our view, could involve the use of the "social defense" of draft plans involving the participation of interested related collectives. This method extends self-government to the set of intersectorial plans. Another possible form is conversion to the planning of variants which, unquestionably, will energize the participation of the collectives in the discussion of draft plans on different levels. Such practice exists in the GDR and Hungary.

The task set by Lenin of organizing the exchange of products by the working class itself (see op. cit., vol 35, p 147) develops, under contemporary conditions, into the task of using self-governing principles in organizing planned deliveries of industrial commodities. The embryo of this form of self-government is the "worker relay race" principle, quite familiar in our country. In the future, this could become a form of contractual relations among collectives, supported by contract-based financial penalties paid out of the wage fund; such a system provides a powerful impetus in strengthening procurement discipline. The conversion of the collective into a subject of "external" relations among enterprises must obviously be reflected in the law on the socialist enterprise (association) currently being formulated.

Equally important, in our view, is the development of self-government in the area of procurements and distribution of consumer goods (particularly if we consider that the possibilities of state management of retail trade are sharply limited. In acknowledging Lenin's concept of self-government as the foundation for current developments, we must not, I believe, ignore the problem of that special link in this concept: the idea of a "single consumer cooperative," which has actually not been mastered in the least by contemporary political economy.

"... The socialist society is one large consumer society with a planned organized production process for consumption purposes..." Lenin wrote, specifying this idea by pointing out the system of "consumer societies" and the need for a universal application under socialism of "this useful institution" (op. cit., vol 11, pp 369-370). Subsequently he repeatedly returned to the problem of a single cooperative "both in the sense of procurements and of distribution," and raised the question of the nationwide socialist cooperative, of the single cooperative of working people (see op. cit., vol 36, pp 161-162; vol 37, p 346). The specific plan drafted by Lenin of respective economic changes marked the beginning of a series of practical experiments in the development of a system of a single consumer society (EPO), followed by voluntary consumer societies (DPO) between 1918 and 1929.

The experiment, inspired by Lenin's theoretical ideas, yielded quite interesting results: by the end of the 1920s a significant percentage of the urban population was involved in the activities of consumer societies which, on the basis of specific advances granted to the consumers, issued production orders and (through the syndicate system) submitted them to producing trusts. The share of the consumer cooperative in retail trade reached 79 percent. Unfortunately, the specific circumstances which prevailed at the end of the 1920s and the beginning of the 1930s (procurement difficulties, the introduction of a rationing system, etc.) resulted in the dilution of the single system of consumer societies, through the separation of closed worker cooperatives (ZRK) and closed distributors (ZR), which actually turned from consumer associations into departmental supply agencies. The establishment of worker supply departments (ORS) was the juridical form given to this fact. Correspondingly, the share of cooperatives of consumers in retail trade in the cities had dropped to 30.2 percent by 1935 and the USSR Sovnarkom decided to dismantle the consumer cooperatives in the cities and to concentrate them in the countryside as an auxiliary force of the young kolkhoz system.

Two circumstances make us turn again with particular attention to Lenin's ideas of the single consumer cooperative and to the experience in the implementation of such ideas. To begin with, the enterprises today as well are not only production cells but also cells for consumer supplies. The Basic Directions in the Social and Economic Development of the USSR calls for taking further steps to "apply" trade and consumer services directly at enterprises. The development of the self-management of collectives and upgrading the role of the local soviets create prerequisites for the reorganization of worker supplies on a nondepartmental democratic basis. Secondly, as the recent CPSU Central Committee and USSR Council of Ministers decree on improving the planning of economic incentive and management in state trade and the consumer cooperative stipulated, the need for a major restructuring in the areas of supply and trade was noted in recent years. The extension of consumer organizations will make it possible, on the one hand, greatly to facilitate the identification and study of consumer demand and to set guidelines for production and trade and, on the other, to set up a mechanism for interested and efficient nondepartmental control of supply and trade.

The elements of self-organization of consumers of present in contemporary economic practice and the use of the cooperative form in services and trade, in accordance with the basic stipulations of the 27th CPSU Congress, could provide efficient organizational means for upgrading the role of consumers in a planned economy. The socialist countries have also gained some experience in the functioning of consumer self-governing agencies on the national economic level: a National Consumers Council has existed in Hungary since 1982. Its control over the quality of consumer goods and in determining specific reasons for shortages, has already yielded major economic results.

Therefore, the development of self-government in the economy, which is the general trend in the implementation of the task set by the 27th CPSU Congress of comprehensive democratization of management, is by no means limited to individual production units. Acting as a complex integral phenomenon, it must increasingly cover all levels of socialist production (from primary cells of the labor processes to national economic levels of planned management) in all its phases (from linking the worker to the means of production and the distribution of consumer goods).

The development of economic self-management is of decisive importance in the democratization of the other areas of social activities, for the implementation of progressive changes in basic relations are the foundation for updating the totality of socialist social relation.

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## CONTEMPORARY WORLD: TRENDS AND CONTRADICTIONS

### IN THE STRUGGLE FOR PEACE, NATIONAL LIBERATION AND SOCIALISM

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[Interview with Ruben Dario Souza, secretary general of the Panamanian People's Party Central Committee]

[Text] Three quarters of a century ago, Panama was considered, with full justification, one of the countries which were most dependent on and oppressed by imperialism in the world. In 1903, grossly violating the will of the Panamanian people, Washington imposed upon the young recently independent republic a treaty according to which the territory along the canal linking the Pacific to the Atlantic Oceans was ceded to the United States "in perpetuity." Since then, for many decades, the concept of the "Panama Canal Zone" was linked to the concept of an American colonial enclave, set within the very heart of an officially sovereign country, splitting its territory into two halves.

Panama's main natural resource--its geographic location--became the source of incalculable calamities and sufferings of its people. Profits from the commercial exploitation of the canal, which could have been the base for the country's economic development, were almost entirely appropriated by the United States. Access to the canal zone was forbidden to the overwhelming majority of Panamanian citizens. The zone was under American law. Its territory became an important element in the U.S. entire Latin American military-strategic infrastructure. Panama's economy, its agriculture above all, was under the stifling control of U.S. monopolies. The toiling masses were doomed to poverty and rightlessness. The power alternated among oligarchic clans, loyally and truthfully serving the interests of American capital.

It took many years of stubborn and bloodshedding struggle before the Panamanian people were able to extract concessions from imperialism. The patriotic military who came to power in 1968, headed by General Omar Torrijos, expelled the oligarchy from power and undertook the implementation of a number of important socioeconomic and political changes and pursuit of an independent foreign policy. In 1977, under the pressure of Latin American and world public opinion and with the energetic support of the Soviet Union and the entire socialist community, the Carter administration was forced to sign new treaties with Panama, which ended the era of unchallenged U.S. domination of

the Canal Zone. According to the treaties, the canal will be jointly administered until the year 2000, at which point jurisdiction over the canal will entirely pass to Panama, thus restoring its territorial integrity.

General Torrijos died in an airplane crash, under mysterious circumstances, in 1981. Profiting from the economic situation which had worsened in recent years and the tense domestic political situation in Panama, the ruling U.S. circles are trying to prevent the strengthening of the republic's national sovereignty and to hinder the transfer of the Canal Zone under Panamanian control. The White House is not concealing its displeasure with Panama's participation in the Contadora group whose objective is the peaceful settlement of conflicts in Central America.

KOMMUNIST editor V. Bushuyev met with Ruben Dario Souza, head of the Panamanian People's Party (PPP) and asked him to describe the current stage in the struggle waged by the people's masses in that country for national and social liberation and the tasks facing the Panamanian communists, and to assess the current international situation.

Question: The 8th PPP Congress was held at the beginning of this year. How are the situation in the country and the prospects in the struggle of the Panamanian people characterized in its documents?

Answer: The Congress noted that in recent years the process of progressive socioeconomic and political changes, initiated under General Torrijos' leadership, has been foundering in Panama. We, Panamanian communists, saw in him a patriotic and anticolonial leader who, in the course of the changes taking place in the country, gradually matured, coming closer to revolutionary-democratic views. The disappearance of the guiding and mobilizing principles of the democratic anti-colonial struggle after Torrijos' death, accelerated the breakdown of the movement he headed and led to the retreat of a number of the country's leaders from the objectives and principles of national liberation, economic upsurge and democratization, defense of basic social justice and pursuit of an independent and anti-imperialist foreign policy course, i.e., from all that which the Panamanian patriots describe as Torrijism.

The initial step aimed at hindering and undermining the process developing in Panama was the 1983 constitutional reform, which struck a blow at the already established progressive democratic parties. The national assembly, which was essentially turning into an agency of the people's power, was abolished. The way to power to the oligarchic parties was opened. Meanwhile the real people's parties, deprived of the necessary financial resources, abundantly available to the oligarchy, lost their official status and electoral rights in the 1984 elections.

At the same time, the socioeconomic policy pursued by Torrijos foundered. A number of state enterprises were closed down or privatized. The financing of projects in the state economic sector was terminated. Other steps were taken aimed at weakening the role of the state in economic life and abandoning social legislation consistent with the interests of the working people. The results of this policy were not slow in coming. The scale of poverty and

hunger increased. More than 20 percent of the population became unemployed and the cost of living increased by 21 percent in 1985. Foreign debts exceeded \$4 billion and are continuing to increase.

The breakdown of the Torrijos process reached its peak during the presidency of N. Ardito Barletta. His policy, which marked a surrender to the demands of the International Monetary Fund (IMF), his plan for converting the country into an appendage of the multinational monopolies and the taking of further steps to eliminate progressive social gains triggered the active opposition of the broad popular masses. The struggle waged by the people prevented the implementation of this policy. Ardito Barletta was forced to resign in September 1985.

The question now is whether the people's, the patriotic forces will be able to ensure the revival of Torrijism as state policy. The country's rulers are maneuvering between a course suiting U.S. imperialism and the IMF and the restoration of the Torrijos line. Were they to continue their faulty policy of observing the "prescriptions" of the IMF, they would once again inevitably encounter the counteraction of the people's masses, a counteraction which may be even stronger. In order to resume a path consistent with the national interests, these circles must break with those who are trying to distort the Torrijos course and its strategic objectives.

Our party believes that under Panamanian conditions, as a plan for the country's socioeconomic development, Torrijism remains an important motive force which can mobilize the people's masses in the struggle against imperialism and for national liberation, democracy and social progress. The military plays a great role in the movement for national liberation and the process of democratic change. We believe that in national liberation revolutions in Latin America, patriotic military can and must be the allies of the people's masses--workers, peasants and progressive social circles as a whole. The Panamanian national defense forces include many supporters of the anti-imperialist Torrijos course. They must do a great deal more to correct the major errors which were made after his death.

In evaluating the current stage of the country's sociohistorical development and its future, the PPP proceeds from the fact that the phase of the anti-colonial struggle ended with the conclusion of the canal treaties, which set deadlines for transferring the canal to Panama. A struggle against new colonialism and imperialism and for completing the national liberation and establishing a people's democracy has developed in the country.

The new phase in the confrontation faces the communist and all progressive and people's forces with exceptionally difficult problems. The policy of American imperialism toward Panama, as part of the overall U.S. course pursued in Latin America, is aimed at preventing our country from dropping out of the chain of imperialist domination after the decolonization of the Panama canal. The United States is trying to assign to Panama the role of a pawn in Central America and the Caribbean, which Washington has become accustomed to consider its backyard. The Reagan administration is consistently trying to impose upon us neocolonialism, to subordinate us to its aggressive policy and to force us to abandon the path of nonalignment. By continuing to plunder and



economically oppress our country and by distorting and interpreting in its own way the stipulations of the canal treaties and failing to take any steps whatsoever to close down the military bases still located in the canal zone, the present U.S. administration is trying to undermine the very possibility of the restoration of the Torrijos process in Panama.

The distinguishing feature of the current stage is the aggravation of the class struggle, in the course of which the masses are increasingly opposing the establishment of a hegemony by the local big bourgeoisie in Panama and the assertion of a neocolonialist order which threatens the total elimination of the people's gains. The country is being increasingly shaken up by powerful strikes of protest against governmental measures which harm the vital interests of the proletariat and make Panama even more dependent on American monopoly capital. The working class is playing a prime role in this struggle. The political activeness of the peasantry is growing at a faster pace.

The factors which characterize the contemporary situation greatly influence the correlation of forces within the country. Our party believes that under the existing conditions the national bourgeoisie is no longer capable, as it was in the past, to influence the Torrijos process and to guide social progress. In our view, the leading role of the big bourgeoisie must be replaced by an accord among the nationalistic petite bourgeoisie allied with the working class and the peasantry. That is why the PPP considers efforts to create a democratic national liberation front (DNLF) one of its fundamental tasks.

The existence of such a front presumes a strategic agreement between Torrijos-leaning military and their political force represented by the Revolutionary-Democratic Party, on the one hand, and the PPP and a number of other leftist political parties and worker and peasant organizations, on the other. It is on the basis of such forces that the DNLF must be established, thus enjoying the support of the middle classes, the intelligentsia and the petite and national nonmonopoly bourgeoisie. Such a front must be created on the basis of the democratic ideas of national liberation which were expressed by Torrijos, but now made consistent with the requirements of the contemporary stage in the anti-imperialist struggle.

All of these forces must jointly oppose the middlemen bourgeoisie consisting of big merchants and owners of service industry enterprises and major importers, the multinational bourgeoisie, the "financial centers" set up on our territory, the local financial bourgeoisie and the big landowners. The creation of conditions for a new, democratic and anti-imperialist leadership, which would express the aspirations of the people for a successful national liberation, should contribute to the struggle for shaping and strengthening of such a front. Such a leadership is urgently needed by the Panamanian anti-imperialist movement in order to strike at the vestiges of colonialism and neocolonialism existing in the country.

The front will have to counteract the efforts to subordinate the country to the interests of the multinational monopolies, to promote the nationalization of the canal and carry out a democratic agrarian reform; it must pursue an

independent policy of peace and nonalignment, improve the mixed economy and strengthen the people's and the liberation aspects of the national army.

As to the PPP itself, its duty is to strengthen and broaden the influence of the working class, see to it that it assumes a hegemonistic role and is aimed at the future leadership of the front and the entire anti-imperialist movement.

We perfectly realize the difficulty of the path to be followed and the high standards of revolutionary awareness of the masses this will require. Taking into consideration the new role which the communists must play at this stage of the development of the revolutionary process in Panama, the 8th Congress called for turning the PPP into a large party, into a Marxist-Leninist vanguard capable of substantially influencing the making of political decisions which determine the destinies of the homeland. This is not merely a slogan but a specific objective; the possibility of attaining it is determined by the rich experience acquired by our party in the 55 years of its existence and the tireless efforts and major sacrifices made by the Panamanian communists in the course of the battles against the class enemy and the enemy of the nation—U.S. imperialism.

The transformation of the PPP into a mass party will require perfecting organizational and ideological work, eliminating elements of subjectivism and lack of control, engaging in the systematic retraining of existing cadres and training hundreds of new party workers.

[Question] A few months ago you were a guest of the 27th CPSU Congress. How do you assess the significance of the documents adopted at the congress, the recent peace initiatives of the CPSU and the Soviet state and the position of real socialism in overall international life?

[Answer] Everything that has been taking place in the Soviet Union in slightly less than 7 decades has long become a most important factor of international development and plays a tremendous role in the struggles waged by the peoples for peace and national and social liberation. In our case, the case of the fighters for the revolutionary reorganization of society, it would be difficult to overestimate the significance of the very fact of the existence of the first state of victorious proletariat in history, a state created by Lenin and the October Revolution, and the successes which were achieved in building a new society by the Soviet people and the people's of the entire socialist community.

It is my profound conviction, which, I am confident, is shared by the friends of the Soviet Union, the supporters of peace and the true revolutionaries throughout our planet, that the implementation of the tremendous plans formulated at the 27th Leninist Party Congress will have an even more powerful and comprehensively beneficial impact on the course of international developments. In my view, the most important thing is that the great program for the accelerated progress of Soviet society expresses more than just the real and urgent requirements of your people. It is a program which reflects the hopes and expectations of essentially all mankind.

I have visited the Soviet Union repeatedly. I have toured industrial enterprises and talked to workers and employees. On each such occasion I had wanted to remind them of a simple and permanent truth: friends, each one of your successes we, communists and proletarians of all countries, consider as our own. Each one of your accomplishments in building a socialist and communist society brings closer our own victory and the triumph of the cause of the social liberation of all working people on earth. Such was the case during the first 5-year periods and during the severe trials of the last war and during the first space flight of man, a citizen of the Soviet Union. That which the Soviet Union has gained in building a new society and bringing to light the general laws of the socialist revolution and socialist development constitutes for the true revolutionaries and communists an inspiring incentive for active efforts under the specific conditions of their own countries and a powerful moral and political support in our struggle against imperialism and exploitation and for the triumph of social justice and the freedom and happiness of the working people.

We do not have even the slightest doubt that the vivifying and revolutionary influence of real socialism on the course of social processes developing on our planet will continue to increase as the Soviet people, implementing the program for the acceleration of socioeconomic progress, will daringly eliminate the shortcomings and negative phenomena exposed at the 27th CPSU Congress, make use of the highest achievements of the scientific and technical revolution and achieve qualitative changes in all area of life. We are confident that this will draw under the banners of scientific socialism even broader masses throughout the world and will be a new step in the ascent of all mankind to the peaks of social progress.

In the final account, it is precisely this influence exerted by real socialism, the example of which awakens in millions of people a spirit of freedom and human dignity, that is the most frightening to our class enemies and to the reactionary and aggressive imperialist circles. It is this fear of the merciless curtailing of their domination, loss of control over the minds of the people's masses and the growing decline of capitalism and its surrendering of positions in economics, politics and ideology that is the reason for the adventurism of the ruling oligarchy in the imperialist countries. The rulers of multinational banks and corporations and the military-industrial complex, which brought to power the present openly and militantly counterrevolutionary anti-people's U.S. administration, are trying to defame at all costs the Soviet Union and the entire socialist community with the help of false anticommunist campaigns and dissemination of fabrications on the notorious "Soviet menace" and "communist expansionism," thus sowing the seeds of mistrust of real socialism and undermining its reputation and influence.

The aggressive military-strategic doctrines of imperialism and various militarization programs for the planet and near space and the entirely unnecessary arms race, imposed upon the Soviet Union and totally alien to the very nature of socialism, are aimed at the economic exhaustion of the Soviet Union. Their sole purpose is the persistent idea of the ruling Washington leadership: to achieve at all costs military superiority over the Soviet



Union, to restore the hegemonism of U.S. imperialism and to obtain the unchallenged possibility of dictating its will on mankind.

However, a military solution of the historical dispute between capitalism and socialism would mean the inevitable death of mankind in the flames of a nuclear conflagration.

That is why the people of goodwill, who care for the peace, freedom and happiness for the present and future generations, and who simply want to survive on our small and brittle planet, are fully resolved to defeat the suicidal and man-hating plans of imperialism and put an end to the arms race on earth and the dangerous plans of moving it to space. Their hope of safeguarding mankind and protecting it from a nuclear missile catastrophe, to which the irresponsible and thoughtless imperialist course is urging the world, are related to the clear, consistent and peace-loving foreign policy of the Soviet Union and the other members of the socialist community, well understood by the people on all continents.

The Leninist party and the Soviet state formulated a specific program for the development of an all-embracing system of international security and the elimination of nuclear and other types of mass destruction weapons by the end of this century. Last June the Warsaw Pact members adopted an appeal to the members of NATO and to all European countries containing a program of reducing the armed forces and conventional armaments in Europe. These documents could be considered an exceptional plan for rescuing human civilization, preserving life on earth and saving the world from the most lethal means of waging wars and their material preparations, which are ruinous and fatal to the nations.

The decision of the Soviet leadership to extend to 1 January 1987 its unilateral moratorium on nuclear explosions, which has already been extended on three previous occasions and has been in effect for more than one year, met with a warm response throughout the earth. This decision irrefutably proves the peacebleness and good will of the land of the soviets. The declaration made by M.S. Gorbachev in this connection, appealing to the reason and dignity of the American people not to waste one more historical opportunity to end the arms race, was added to the Soviet moratorium.

The USSR and the other members of the socialist community convincingly demonstrate their new political thinking, which is so very necessary in the difficult contemporary international situation, setting an example of active efforts aimed at solving the radical problem of our time: the defense of peace and ending the trend toward the increased danger of war. We can say without any exaggeration that the Soviet peace initiatives are striking in terms of their scale and realism, novelty in the formulation of problems and readiness to seek reciprocally acceptable solutions.

Nevertheless, the tactic of endless entrapments, the refusal seriously to consider the peaceful proposals of the USSR, the cynical deception of world public opinion, the demonstrative continuation of nuclear tests, actions of state terrorism and the impudent interference in the affairs of sovereign countries by the ruling leadership in the United States clearly indicate that the main reason for the preservation of international tension rests in the

dangerous foreign policy course and the imperial globalist ambitions of today's Washington administration, unwilling to act in the spirit of the Geneva agreements and to take into consideration the will of the peoples. There neither is nor could there be any justification for such policy.

By truly defending peace with dedication and by engaging in patient and persistent struggle for limiting the arms race and for disarmament and a nuclear-free world, the Soviet Union is literally rescuing one and all on our planet. This is being realized with increasing clarity by millions of people on earth. Unquestionably, future generations will pay homage to the tremendous efforts of the land of the soviets in this area, which are the most important thing in today's world.

In turn we, communists, and all democratic forces in Latin America, are mounting a campaign of mass support of the peace initiatives of the Soviet Union. The time is past when certain circles in Latin America consoled themselves with illusions to the effect that a nuclear war would not affect our continent in the manner of the two world wars. The masses' understanding of the universal danger of a nuclear catastrophe has raised the struggle in the defense of peace in the Latin American countries to a new level.

If we consider the problems of war and peace in their totality, we must emphasize that with its policy the Soviet Union is setting a vivid example of loyalty to proletarian internationalism. Today internationalism means not only firm fraternal solidarity between the Soviet communists and the revolutionary-liberation forces on earth or selfless support by the Soviet peoples of the fighters against imperialist oppression. The comprehensive progress achieved by real socialism, the perfecting of the socialist society in the Soviet Union and its progress toward communism have become the embodiment of the principles of proletarian internationalism. These principles are also embodied in Soviet foreign policy, which is aimed at the preservation of peace, ensuring international security and creating a reliable shield against the aggressive and counterrevolutionary plans of the ruling U.S. circles.

For all peoples who have taken the path of strengthening national independence and defending their sovereign rights this policy means the creation of favorable external conditions for challenging the system of imperialist oppression. The Panamanian example is quite indicative. The small size of our country and its small population, are considerably balanced in the conflict against U.S. imperialism by the existence in the world of a force such as the Soviet Union, which was able to attain military-strategic parity with the largest capitalist state and its NATO allies. This balance, attained at the cost of the tremendous efforts of the Soviet people, serves, therefore, all progressive and freedom-loving mankind. It forces the worst enemy of the peoples--U.S. imperialism--despite its own will and expansionistic aspirations significantly to curb its aggressiveness and to think twice before deciding on its latest interference in the affairs of sovereign peoples. Like all achievements of real socialism, military-strategic parity opens to the peoples of Latin America, who are fighting for their second national liberation, entirely different opportunities for counteracting the policy of North American imperialism.

It is exceptionally important to note the following fact as well: today the people of good will, the working people, are realizing through practical experience the profound substantiation of the communist policy on matters of war and peace and the correctness of the peaceful foreign policy of the USSR and the entire community of socialist countries, which is countering in the international arena the thoughtless and adventuristic course of imperialism. I am convinced that tomorrow the working people, the people with democratic and progressive views, will also realize the profound justice of scientific socialism and of the revolutionary ideas of Marxism-Leninism. The entire experience in social development confirms that the objectives of the struggle for peace and socialism are most closely interwoven.

[Question] What led you to Marxism-Leninism, to the ranks of the communists?

[Answer] My personal experience is inseparable from the process of popularization of Marxism-Leninism in Panama and the founding of the communist party in the 1930s. At that time, it was not a monolithic party but rather a conglomerate of Marxist groups in terms of ideological orientation which, as it were, could not unite, and for which reason were in a state of perennial crisis. It was this that led to its collapse in 1937.

A turning point in the history of our party took place during the period of heroic battles fought by the Soviet people against the fascist hordes which had invaded Soviet territory. In defending their land, the Soviet people displayed the type of courage and dedicated love for the homeland and inflexible loyalty to socialism which triggered world-wide admiration. The aspiration developed to understand what was it that was motivating the Soviet people, what was helping them to be successful in the struggle against a strong and treacherous enemy who intended to enslave all mankind. During those years, many people felt the need to adopt in their own struggle against national and social oppression the ideas which had inspired the Soviet people to their historical exploit, which had saved the peoples from fascist slavery. Panama was no exception: in 1943 the communist party was reborn in our country under the name of the people's party. At that time I was a very young man. I lacked clear ideological views. However, I wanted knowledge. I wanted to enhance my cultural standard and what I saw around me motivated me to find the reasons for ubiquitous unfairness. In the final account, this led me to Marxist-Leninist literature. It all began with a gift from my mother. Naturally, she knew little about Marxism. However, she was attracted by the title of the book "Mother," the first work which helped me to discover M. Gorkiy. This book had a most profound impact on me as it had, actually, on many other people. It gave us an example of heroism and revolutionary passion. It helped me to make a choice. I joined an organization of anti-fascist youth, linked with the communists, and undertook to study the problems of the labor movement and the works of the founders of scientific communism.

In 1946 I participated in the proceedings of the party congress as a youth leader and was made at that time member of the party's leadership. Meanwhile, my comrades and I had begun to realize the extent to which opportunism which had sunk roots in the party was hindering it and this led us to the conclusion of the need for a revival of its revolutionary class-oriented nature. By the time of the third congress, which took place in 1951,



we had done a great deal of work to unify the healthy forces. At that congress, elements which hindered the restoration of the Leninist nature of the party were removed from it. Although I personally, because of my youth, did not feel in the least ready to assume a leading position, the delegates to the congress decided to make me secretary general.

All party activities were based on Lenin's ideas and the experience acquired by the Russian bolsheviks and their followers in other countries. Leninism enabled us to find accurate answers to how to achieve revolutionary changes under the specific conditions of our country, how to develop the strategy and tactics of the struggle, to engage in party building and pursue a policy of class alliances. The universal nature of Leninism, which is not only a vision of the world, life and development of society but also an impeccable method for leading the struggle of the organized proletariat and its political vanguard, enabled us to create a combative, strong and cohesive party and to withstand the fiercest persecutions by the reaction.

Leninism taught us to realize the truth that only an ideologically monolithic party can survive the blows of the class enemy and counter them successfully. I am deeply convinced that the revolutionary party of the working class cannot be an alliance of different political trends and currents. Its unity must be firm, based on loyalty to revolutionary principles and guided by the class interests of the proletariat. Such is the immortal behest which Lenin left to the communists the world over, in which he developed and embodied in practice the ideas of Marx and Engels as applicable to the contemporary age.

Loyalty to the principles of Leninism tempered the party of Panamanian communists and enabled it to put an end to the crisis in its ranks and to foil all enemy attempts at destroying and dividing us. It helped us to formulate an accurate strategic line aimed at the struggle both against imperialism and against the local big bourgeoisie.

Another most important lesson which we drew from the great Leninist legacy, as we kept turning to it, is our deep attachment to proletarian internationalism and to the cause of solidarity with the working people in the capitalist world and all nations struggling for national liberation or those already building a new society. We have always felt ourselves part of the global revolutionary movement with which we share common roots--Marxism-Leninism--which fraternally unites us with all communists on earth.

The 8th Congress reasserted the loyalty of our party to the fundamental principles of Marxist-Leninist doctrine and to proletarian internationalism and our solidarity with the CPSU, the global socialist community, fraternal Cuba and Nicaragua, and the struggle against imperialism and the local reaction, waged by the peoples of El Salvador, Chile, Paraguay and other countries in Latin America, and the working class and the liberation and progressive forces the world over.

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## RESPONSIBLE FOR THE CRITICAL ECONOMIC SITUATION IN AFRICA?

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[Article by A. Vasilyev, deputy director of the USSR Academy of Sciences Africa Institute, doctor of historical sciences]

[Text] The socioeconomic crisis in African countries has reached a dimension and proportions which have created a deep feeling of concern not only in Africa itself but in the entire global community. This crisis is threatening the future economic development of African countries and the very lives of millions and millions of people on that continent. The hunger which affected 21 African countries in 1984-1985 was a tragedy which cost the lives of many hundreds of thousands of people. It was also the gravest manifestation of the most severe socioeconomic problems on the continent. The critical economic situation in Africa was the topic of the 13th special U.N. General Assembly session was held at the end of May 1986 in New York. "At the present time, as a result of the dramatic consequences of the drought, the vulnerability and weakness of Africa's socioeconomic structure have become entirely clear.... The lack of stable economic development of the poor areas of the world, one of the typical representatives of which is Africa, creates a real threat to international peace and security and hinders global economic growth and development," noted the UN action program for the economic development and recovery of Africa for 1986-1990, which was adopted at the session.

The long and terrible drought--a real ecological catastrophe which spread over most of the continent--was indeed the direct reason for a tragedy of unprecedented scale. The increased amount of precipitation in a number of African countries this year has eased the situation without radically changing it. As in the past, tens of millions of people here are hungry.

### Agrotechnology, Ecology, Colonialism

The entire point, however, is that the hunger which was caused by the drought, and the degradation of the environment are merely the tip of the iceberg of the deep socioeconomic crisis which has shaken up the developing countries. It assumed its most catastrophic forms in the African countries.

The drastic worsening of ecological conditions under which economic activities are conducted in Africa is particularly clear. It is true that the latest

period of desertification and drying out of the continent has 10,000 years, at a fluctuating speed. In our century, as a result of the drastic intensification of the exploitation of natural resources, desertification has accelerated and has assumed a truly predatory nature. Late the Sahara has been moving south by several kilometers per year. The overall area of African forests is annually declining by 4 million hectares (according to other data, even more); valuable timber is being cut for export, encouraged by the multinational corporations (MC), while no more than 100 hectares are being reforested. Unless uncontrolled felling is stopped, forests will soon entirely vanish from the territory of at least another nine countries. The herds of the nomad population are destroying the grass cover on the pastures and the shrubs. Farmers, who are cultivating the land by archaic methods, are leaving fewer lands to lie fallow. Plantations of export crops, which are rapidly exhausting the soil, are violating the delicate ecological balance. In order to survive with the current low level of production forces, frequently the African overexploits the environment, undermining the foundations not only of expanded but even simple reproduction. Food production in Africa declined substantially between 1970 and 1980. As a result, in a single decade grain imports doubled in volume and quintupled in cost. This process was accelerated in the 1980s.

Does this mean that the Africans alone and "merciless" ecological factors are to be blamed for the difficulties of this continent? Bourgeois scientists and Western mass information media answer this question in the affirmative, totally distorting the true situation.

To halt the advance of the desert is an entirely realistic task. However, it requires funds, a great deal of capital. In the Sahel area alone, in principle, one could irrigate about 12 million hectares and solve the food problem. However, due to lack of funds, irrigation projects are merely being started. Africa, which remained for nearly a century and, in some areas, several centuries, under the heel of the colonizers, was systematically plundered, its resources exhausted and grades set for today's catastrophe.

#### Hunger as the Result of Imperialist Plunder

Plundering is continuing today with the help of new, neocolonialist methods but on an even broader scale. According to Western economists, for each dollar invested by the multinational corporations in Africa, they take out between \$3.5 and 4.5.

"Despite all efforts, Africa..., remains the least developed continent," the Lagos plan for action, which was adopted by the members of the Organization of African Unity (OAU) in 1980 reads. "It includes 20 of the 31 (at the present time already 26 out of 36--author) of the least developed countries in the world. Africa is subject to the fatal influence of the most severe pandemic and endemic diseases. It is victimized by the exploitation of the local population, based on colonialism, racism and apartheid. Africa was the target of open exploitation during the colonial period and in the last 20 years."

As a whole, the African countries remain within the world capitalist economy as an exploited periphery, as an agrarian-raw material appendage and as a



target for MC capital investments. Profits earned by the monopolies in Africa come from the predatory plunder of frequently irrecoverable natural resources, and shifting from the developed capitalist countries of some types of "dirty industry," which destroy the environment and the superexploitation of exceptionally inexpensive labor.

The drama of the situation is worsened by the growing "price gap" between commodities exported from and imported into Africa. Compared with the prices of finished products, today prices of agricultural output and raw materials have dropped to their lowest level for the past 50 years.

According to the experts from the U.N. center on multinational corporations, between 75 and 90 percent of global capitalist trade in basic African exports is controlled by some 15 MC. As a result, the producer keeps no more than 6 percent of sales of tobacco, 3-15 percent of the sales of cotton, 12 percent of the sales of bananas and 25 percent of the sales of hides and furs. "In the contemporary global economic system we have only two of rights: to sell low and buy high," J. Nyerere, Tanzania's first president used to say. Indeed, within the "legitimized" limits of nonequivalent trade with the capitalist countries alone Africa loses annually, according to U.N. expert estimates, \$6 billion. This plunder, disguised as trade, roughly equals the sum total of "aid" given by the West. Briefly, foreign trade has become the most important channel for the "legal" bleeding of the continent's economy. The total dependence of the African countries on the global capitalist economy means that their economy reacts particularly painfully to any change in the market and the crises affecting the capitalist economy affect them extremely badly. According to more specific data cited by the U.N. secretary general, per capita income in the African countries has been declining by an average of 4.1 percent annually, starting with 1980.

Unable to increase their income from exports and procure funds for importing the necessary raw materials, equipment, food and industrial commodities, with increasing frequency the African governments are resorting to loans. As a result, according to a number of estimates, their indebtedness increased from \$60 billion by the end of the last decade to \$170-175 billion in 1985. Such indebtedness has been increasing several hundred percent faster than the growth of their exports or their GNP. According to the International Bank for Reconstruction and Development (IBRD) about 85 percent of the new loans are used to pay the old ones. Nearly 25 percent of the export earnings by African countries go into servicing their loans.

Granting or depriving the African countries of financial means, agreeing to postpone loans or demanding their immediate repayment have become the most important tools of Western pressure and diktat. The new loans are being increasingly based on the pursuit of a foreign policy suitable to imperialism and a domestic policy aimed at the development of private enterprise and ensuring favorable conditions for the activities of foreign private capital, the local branches of the MC above all. The arrogant defense of the American way of life as an example for universal emulation was sounded in the speech delivered at the special U.N. session we mentioned by George Shultz, U.S. secretary of state. He bluntly stated that a "prerequisite for success" by the African countries (and for American aid) is their rejection of "erroneous

political concepts," which, in his interpretation, means the elimination of the state sector and giving foreign monopolies a free hand. The head of the U.S. diplomatic establishment proclaimed that "the American experience is a useful guide for productive economic policy." Naturally, the Secretary of State "forgot" that according to data of the U.N. Center for Multinational Corporations, between 1980 and 1983 the African countries received \$5.5 billion in direct foreign investments while quadruple that amount--\$22 billion was extracted from them.

By depriving some unsuitable countries of loans, credits and "grants," the imperialist countries perfectly realize that they are tightening even further the stranglehold of hunger around the neck of the African peoples, for loans are increasingly being used to make food purchases.

The "food weapon" and the "aid weapon" are being used particularly zealously against the African countries which have chosen a progressive path of development. Socialist Ethiopia has found itself among the countries on which particular pressure has been applied in recent years. Since the revolutionary system could not be destroyed through foreign aggression and the country could not be split through separatist mutinies, the task was set of bringing Ethiopia down on its knees by making use of the prolonged drought.

"The United States is engaged in subversive actions against the Ethiopian revolution, ranging from armed intervention to psychological warfare," said Ashagre Yigletu, secretary of the Ethiopian Labor Party Central Committee. "It are now trying to stop our progress along our chosen way through food aid. It impudently claims that the revolution is the reason for the drought and the national disasters. In order to cope with the drought, the revolutionary government must reach an agreement with the separatist groups. We are not astounded by their position, for a class struggle is being waged in the international arena, in which they are our enemies."

#### Arms Race and Development Problems

Virtually all serious economists and sociologists dealing with African problems, like the Africans themselves, are convinced that foreign aid and foreign financing, if used in the true interests of the countries on the continent, could become an important factor in the elimination of hunger and the solution of other most grave problems. Does mankind have the possibility of accomplishing this? Unquestionably, it does. A tremendous possibility for aid exists by freezing and subsequently reducing armament expenditures.

According to the specialists, no more than half of one percent of today's global military expenditures would pay for the purchasing of agricultural equipment needed to ensure the self-support with food of the least developed countries as early as 1990. The Soviet Union, which suggested a radical reduction in armament expenditures, stipulated that part of these funds would go to the liberated countries to meet their development needs. The adoption of the Soviet proposal would mean for Africa, Asia and Latin America a solution to the vicious circle of backwardness and hunger. However, the West stubbornly ignores the Soviet initiative and is acting in the precisely opposite direction.

The arms race is by no means limited to the developed capitalist countries. Like an epidemic, it has spread to the developing countries, including those in Africa. According to the USSR Academy of Sciences Africa Institute, the military expenditures of the countries on that continent have come close to \$15 billion per year, exceeding the total amounts spent on education, health care and the fight against hunger.

Naturally, there could be a variety of reasons for the acceleration of military expenditures. Forced defense efforts, triggered by the aggressive policies of the Republic of South Africa, Israel and the old and new colonizers are one thing, and local conflicts, local rivalries deliberately inflated by the imperialist strategists, another. The settling of such conflicts would be consistent with African interests. There is no question, however, that in any case military expenditures intensify negative processes in the socioeconomic development of the African countries, mean a worsening of their export positions, multiply disproportions in the economy, preserve archaic socioeconomic structures and reduce investment opportunities. The arms race imposed by imperialism in Africa is both an unbearable burden and a mortal threat to the peoples on the continent.

In a number of countries the critical economic situation is being deliberately intensified by imperialism, which is using it as a method of destabilizing progressive regimes. In this sense, the clearest example is found in the actions of bandit groups operating in Mozambique and Angola, with the support of South Africa, or the direct aggressive actions mounted by South Africa against the "frontline states," one of the objectives of which is to provoke economic chaos and worsen food difficulties. These examples by no means complete the list of interferences by imperialist countries in the internal affairs of African countries.

Therefore, the socioeconomic crisis in Africa is the consequence not only of ecological cataclysms and the demographic explosion but of the colonial and neocolonialist exploitation of the continent with the help of the MC, the "price gap," the enslaving indebtedness and the military and political interference by imperialist countries in African affairs. It is precisely "imperialism," the CPSU program points out, "that is responsible for the tremendous and widening gap in the levels of economic development between industrial capitalist countries and the majority of liberated states and for the preservation of vast areas of hunger, poverty and epidemics on earth."

#### Legacy of the Colonial Past

However, the study of the reasons for the most difficult food and, as a whole, economic situation on the continent would not be complete without a consideration of internal factors which are contributing to its development. Hunger in Africa is both a symptom and a manifestation of the most profound crisis within the entire post-colonial socioeconomic structure on the continent. Even without the drought, hunger would have developed, albeit not so rapidly and on such a scale, for even during "normal" years here, as we know, tens of thousands of people have been dying of hunger.



The colonial system left in Africa as its dominant preindustrial level of production forces in the agrarian area a primitive agriculture, frequently involving cutting and burning, and extensive nomad cattle grazing. To the African rural population, above all in the tropical zone, the purely consumerist trend of economic activities determines to this day the nature of the overwhelming share of agricultural production, based on barter. The community is the socioeconomic form of a barter economy, which is most widespread in tropical (but not Arab) part of Africa. The purpose of its existence, according to Marx, is "the production of consumer values, the reproduction of the individual within the specific relations between him and the community of which he forms the base" (K. Marx and F. Engels, "Soch." [Works], vol 46, part I, pp 472-473).

However, the traditional socioeconomic relations and institutions by no means preserved their "pure aspect," but were sharply distorted with Africa's inclusion in the global capitalist economy. The intensified marketing of agricultural commodities was undertaken, without, as a rule, changing its technical foundation. On the one hand, centers for exporting farm products were developed; on the other, demand for output by the countryside, related to the urbanization of the African countries themselves, intensified. However, the transformation of a certain share of agricultural output into marketable commodities merely meant a limited and, furthermore, extremely distorted application of capitalist relations in the countryside. A substantial share of the commodity output itself was procured through noneconomic methods (taxes, precapitalist rentals, etc.) which did not lead to an energetic capitalist transformation of the countryside. The marketability of agricultural production, organized by the traditional African leadership, led in the majority of cases not to the development of capitalist relations but more frequently to the increased exploitation of the simple members of communities with the help of traditional precapitalist methods, based on a variety of forms of personal dependency and noneconomic domination and subordination.

As Soviet economic researchers have proved, capitalism, exported by the colonizers to Africa, reproduced over decades and centuries the pre-industrial nature of social labor in the colonial periphery and merely strengthened the material and technical base of local precolonial traditional relations. It did not reduce but, rather, preserved and perpetuated them. Therefore, the stable functioning in the contemporary African countryside of traditional relations is not only a precolonial vestige but also a product of this influence of global capitalism, which preserved the old order. Capitalist relations imposed from the outside on the developing countries seemed to develop in the opposite direction, distorting their previous shape.

In Africa, during the colonial epoch and the first years of independence, various ages began to combine. The dualism of the socioeconomic structure in the countryside, which suffered both from the application of capitalism and the insufficient development of capitalist relations, appeared and intensified. The process of nationwide reproduction in African society turned out dismembered and deprived of its integrity and dynamism.

All of this could not fail to influence food production most catastrophically. Let us recall two figures only: in the past 25 years the growth of the African population has been the highest in the world, ranging from 2.7 to 3 percent annually. Meanwhile, per-capita food production for the continent as a whole (excluding South Africa) dropped by 11 percent between 1974-1976 and 1984.

### Seeking a Solution to the Vicious Circle

Such a situation cannot fail to trigger great concern among the political leaders on the continent and the public at large, precisely when taking the demographic future into consideration. For the African population, which totaled 470 million in 1980, will reach approximately 850 million by the year 2000. To feed such a population under the present conditions of production forces and socioeconomic structure is beyond the possibility of the majority of countries. In this sense, until recently, a relatively favorable situation existed only in some petroleum exporting countries. However, even they were unable to avoid significant difficulties in the enhancement of their agriculture.

The course chosen by the majority of African governments after gaining their independence was one of efforts to "modernize," to develop a national accumulations fund by extracting means out of traditional agriculture and on the basis of the intensive development of agrarian exports. However, let us put in quotes the word "modernization."

In capitalist-oriented countries, as a rule "modernization" was reduced to the fast growth of the capital city and the adoption by the ruling groups of consumption standards inherent in the bourgeoisie of developed capitalist countries. Here funds were invested in the towns, absorbing the painfully inflated bureaucratic apparatus or were transferred by the members of the ruling regimes to Western banks. The ruination of the rural population did not mean any expansion of the capitalist system in town or country. The neocolonialist exploitation of the continent, combined with the parasitical nature of capitalist-oriented dominating social groups, weakening the economy, destroyed the traditional social structure, particularly under the conditions of the spreading of hunger, without creating a base for initial accumulations and, correspondingly, for the establishment of "normal" capitalist relations.

The gap in living standard between the capital and in general the cities and the countryside in Africa led to a mass migration to the cities. The fastest yet most distorted urbanization in the world took place. This was rather a pseudo-urbanization, for it was not accompanied by or based on a corresponding development of industry or the need for new manpower. Millions of rural residents, who moved to the urban slums, became paupers, lumpens, deprived of means of existence and of the possibility of selling their labor.

In an effort to avoid explosions of discontent in the pauperized cities, the governments of some countries, instead of taking possible steps to create jobs kept food prices of food at artificially low levels. Their cost was covered either by increasing the exploitation of the agrarian sector, the growing export of raw materials or foreign aid. This not only maintained the unstable

social status but lowered the cost of manpower to local and foreign capital. However, the prices of fuels, agricultural machinery, fertilizers and pesticides increased. Under these circumstances, it became unprofitable to the rural population to intensify and modernize agricultural production, for low market prices of agricultural commodities could not cover the cost of modern modern farming. The point was not only the weak development of commodity food output in the African countryside. There was a lack or an extremely limited mechanism for marketing the goods (even if output could be increased and significant reserves stockpiled), of roads, transport facilities and warehouses. Furthermore, even by increasing prices of commodities, the income of the peasantry, heavily indebted and dependent on the middlemen, frequently did not increase and, therefore, failed to develop incentive to increase output. The domination of trade-usurious capital and the complex chain of middlemen inevitably hinders the development of agriculture even if the prices of agricultural commodities are high.

The only way in which small-scale production in Africa can counter the worsened conditions of economic activities and declining living standard is by extensively increasing the cultivation of available land. However, this was hindered by a number of obstacles. Tens of million of hectares of fertile land could not be cultivated because of the prevalence of the tsetse fly and for other reasons. The deformation of the community limited its inherent opportunity for the collective development of new land on the basis of mutual aid, while financial and labor outlays for such purposes were beyond the means of individual farmers.

As to the capitalist farms, based on private land ownership, their introduction in countries with a pro-Western orientation clashed in tropical Africa with the traditions of group and communal land ownership and proved inefficient or unacceptable. The principles governing their functioning clash with the sociopsychological climate of the rural communities. They also require major capital investments and skilled cadres, which are unavailable in the countryside.

Nor was relying on an upsurge in the production of export crops justified. Many of the African leaders who formulated economic policy in the 1960s and 1970s were trapped by the illusion that developing the production of tea, coffee, cocoa, fisal, peanuts, bananas, cotton and other export crops would create a strong base for developing a national accumulations fund and contribute to the industrial development and modernization of agriculture. The MC and the former mother countries, interested in retaining under the new conditions, a colonial structure of foreign economic relations in the African countries, encouraged such an orientation toward export crops. Many countries began to produce something they did not consume and to consume that which they did not produce. When global demand for tropical crops was high and food imports insignificant, such policy seemed justified. However, the prices of tropical farming products dropped in the developed capitalist countries in the 1970s and 1980s, while the prices of grain and other foodstuffs increased. In the 1970s the real income of African countries from the export of agricultural and livestock commodities declined annually by 2 percent, whereas imports of agricultural commodities increased by 9 percent.



Mostly domestic but nevertheless specific difficulties in solving the food problem and increasing the production of comestible goods appeared also in the liberated African countries which had chosen a path of socialist orientation.

In formulating and implementing agrarian changes, they must face contradictions between the establishment and development of collective labor and the existing production relations and institutions. The most successful progress along this way occurs wherever it is carried out gradually, without skipping the necessary intermediary stages and with the use of elements of the traditional structures and the communal traditions of joint labor in the lower forms of cooperation. Large, mechanized model farms, based on contemporary technology, while remaining isolated islands in a sea of archaic farming and livestock breeding, are, for the time being, unable to change the overall economic situation. The gap between their possibilities and the possibilities of the masses of agricultural producers was too broad for the force of the example, for the "demonstration effect" substantially to influence the overall agricultural situation. In a number of countries with a socialist orientation the method of the application of small mechanization, perfecting simple labor tools and increasing agrotechnical aid provided by the state proved efficient. All of this led to a certain increase in agricultural productivity without, however, providing a radical solution to the problem.

#### Possibilities and Prospects

What must be done so that the tragedy which has afflicted Africa may not be repeated? Is there a solution to this situation?

A solution exists but solving the problem of ensuring food production and all other problems of socioeconomic development depends on a number of factors, external as well as internal.

The unprecedented scale of hunger in Africa reasserted the fact that the socioeconomic problems of the continent cannot be solved merely through emergency steps, by supplying food and other procurements from the outside on a one-time basis. What is needed is a radical restructuring of international economic relations on a just and democratic basis, a position which is firmly held by the Soviet Union and the other socialist countries. The international currency system must be reorganized in such a way as to contribute rather than hinder African development, and trade with the West must stop being a means of plundering it. Help from the West is not a voluntary gesture of philanthropists but the still-owed debt of yesterday's colonizers, merchants and importers of African slaves and today's neocolonialist exploiters.

The Soviet Union, whose share in African foreign economic relations is relatively small, is setting the example of economic and technical cooperation based on the principles of equality among partners, respect for sovereignty and noninterference in domestic affairs. Such cooperation is not linked to any political or other conditions which would harm the national interests of the young states. The Soviet Union provides economic and technical assistance to the African countries on advantageous conditions and, in extreme cases, for free. With USSR help a number of countries are training cadres for agriculture, applying new high-yielding crop strains and building

hydroengineering installations and irrigation systems. The African countries which cooperate with the USSR and the other socialist countries have stable markets for their agricultural and mineral raw materials and for some industrial items and semi-finished goods. Essentially new forms of international division of labor are being developed.

Naturally, the external factors of aid to Africa must be combined with internal changes. Not even significant investments would yield proper results or solve the food problem unless radical socioeconomic changes are made in the countryside and unless the peasants are freed from the most difficult enslavement to local precapitalist exploiters, middlemen and usurers who act in conjunction with the foreign monopolies. Replacing corrupt proimperialist regimes with governments serving the true national interests is another preliminary condition for achieving major results in socioeconomic development.

In the extreme circumstances which have currently developed in Africa, the countries which have rejected capitalism are increasingly demonstrating their possibilities in solving a number of important problems. The growing elements of economic planning, the concentration of major financial and material resources in the hands of the state and the existence of political parties and organizations of the working people which can mobilize and channel the energy of the masses towards surmounting arising difficulties are all yielding results. Today many countries with a socialist orientation are encountering severe economic difficulties, for neither their society nor their economy were able to avoid the destructive consequences of the ecological catastrophe and centuries of colonial exploitation and neocolonialist plunder, multiplied by direct subversive activities conducted against them by the imperialist countries or their puppets. However, it is precisely in these countries that the most decisive efforts have been made to ease the food problems and prevent a repetition of the hunger; it is here that realistic plans for economic development are being formulated.

A growing number of objective observers are acknowledging that efficient steps to eliminate hunger are being taken, for example, in socialist Ethiopia, a country which was stricken the hardest with the drought (affecting more than 7.5 million people). The campaign of the struggle against hunger became nationwide. Hundreds of centers for aid to the hungry were opened. Food surpluses from provinces where they were available are being transferred on a centralized basis to the areas stricken by the drought. Finally, people are being moved to new underpopulated parts of the country where the land is fertile and the amount of moisture is adequate.

"In order to prevent the collapse of the economy of the African countries, ensure a radical structural reorganization and a reorientation in policy, radical steps must be taken, which would allow the continent to take the path of independent development," notes the UN program for action, which was adopted last May at the UN General Assembly session. "For that reason daring steps must be taken with a view to changing the imperfect structures and creating a more dynamic economy, based on the principles of self-support and independence.... Such efforts must be manifested, above all, in substantially increasing the level of output in all sectors, particularly in the leading

sectors engaged in food production and agriculture.... The solution of such problems will be exceptionally difficult, if not impossible, unless the external and internal problems which worsen the structural crisis have been solved."

The African countries have formulated a priority program for economic upsurge for 1986-1990. They are hoping to procure funds for its implementation totaling \$128.1 billion, 57.4 billion of which will be channeled into the development of agriculture, 60.1 billion in the development of sectors related to agriculture, and 3.4 billion in the struggle against drought and desertification. The task has been set of procuring from intra-African sources \$82.5 billion and to obtain the remaining \$45.6 billion from outside sources. This presumes aid of approximately 9.1 billion annually. However, bearing in mind that the payments which the African countries make on their foreign debts are \$14.6-24.5 billion annually, the total financial requirements for direct foreign aid, rescheduling or writing off debts would be \$23.7-33.7 billion annually. The Western countries have refused even to discuss figures related to easing the long-term burden and they were not included in the final document of the May special session of the UN General Assembly.

Nevertheless, the document points out that the prime reason for the crisis developed during the colonial age, when the West forced the African economy to meet its needs. It emphasizes the important role of the state sector in surmounting the difficulties experienced by the African countries. Particular attention is paid to increasing the production of agricultural raw materials and food. Unfortunately, the substantial efforts made by the participants in the United Nations forum to formulate the reasons for the grave economic difficulties experienced by the Black Continent and to earmark means of solving them did not yield abundant results. The voice of a number of African countries was softened at that session by the pressure of their huge foreign indebtedness.

Speaking for the delegations of the BeSSR, Bulgaria, Hungary, the GDR, Mongolia, Poland, the USSR, the UkSSR and Czechoslovakia, the representative of Poland expressed the opinion of the members of the socialist community in connection with the adoption of the final document. The socialist countries, he emphasized, understand the aspiration of the African countries to implement the program of the OAU for the economic rebuilding of Africa between 1986 and 1990. A mandatory condition for the implementation of this program will be the central role which the countries will play in their common economic management and in ensuring the balanced development of its basic sectors.

However, the real elimination of backwardness requires a comprehensive approach to socioeconomic development, which includes industrialization as a foundation for an independent national economy. Unfortunately, this approach was not reflected in the final document of the special session. Another major omission was the fact that economic development, as formulated in the document, was treated separately from the social problems of the continent. These and many other weaknesses in the document made it inconsistent as a whole.



That is why it is hardly possible to claim that the special session of the UN General Assembly was able to implement its assignment completely, an assignment which, as stipulated by the agenda was the comprehensive and interrelated consideration of problems of medium-term and long-term African development. This outcome of the special session was determined, above all, by the positions held by the leading Western countries, which are pursuing the course of blocking the process of economic liberation of Africa and other areas, and of undermining equal international cooperation and wrecking the unity between African and other developing countries.

The elimination of the socioeconomic crisis in Africa, despite its entire difficulty and complexity, demands, in any case, on the one hand, a radical restructuring of international economic relations, the predatory nature of which is being constantly reproduced by the imperialist power centers and, on the other, radical changes in internal economic structures, closely related to progressive changes in the political superstructure. The significance of internal change and, above all, of the breakdown of the exploitative and neocolonialist social structures, which lead to the stagnation of production forces and the waste of the already scant national resources, is entirely understandable. At the same time, the solution of such problems is most closely related to ending the arms race and establishing the type of favorable international climate which, as was emphasized at the 27th CPSU Congress, would provide extensive opportunities for the solution of grave global problems and the creation of a comprehensive system of international, security, including in the economic area.

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## NEW FORMS OF EXPLOITATION IN THE CAPITALIST WORLD

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[Article by F. Goryunov]

[Text] Starting with the beginning of the 1980s, the working class in the developed capitalist countries faced a new concentrated offensive mounted by monopoly circles. Reliance on force and direct confrontation with the working people and the trade unions became one of the manifestations in the new stage of intensification of the general crisis of capitalism. The aggravation of contradictions between labor and capital in recent years proves that although contemporary capitalism is greatly different from what it was at the beginning and even the middle of the 20th century, its exploitative nature remains unchanged.

"In the 1960s and 1970s, under the conditions of favorable economic circumstances, the working class and working people were able to achieve some improvement in their situation," the CPSU Central Committee political report to the 27th Congress noted. "Starting with the mid-1970s, however, the increased frequency of economic crises and the latest technological restructuring of the production process changed the circumstances and allowed capitalism to mount a counteroffensive and to deprive the working people of a significant part of their social gains. In many aspects the living standard of the working people was pushed back by a number of years."

This social revenge on the part of the ruling circles in developed capitalist countries is aimed above all at shifting the burden of the cost caused by the worsened conditions of reproduction of monopoly capital to the broad toiling strata. The monopolies are trying to increase the level of exploitation of the working class, which was and remains the main source of capital accumulations and the very foundation of the bourgeois system.

### I

In the first postwar decades state monopoly capitalism tried to adapt itself to the new conditions of the class struggle under the conditions of the competition between the two global systems and, above all, to meet the socioeconomic challenge of world socialism. Following the advice of British economist John Maynard Keynes, of avoiding frontal attacks on the working

class, which were fraught with serious political upheavals, the bourgeoisie preferred to increase its profits without lowering but even by slightly increasing nominal wages, compensating for higher production cost by increasing prices. The plundering of the working class, concealed through trade, both in terms of factory and retail prices, stimulated consumer demand and economic growth, thus reducing the gravity of the mass unemployment problem.

However, the adaptation of the ruling circles in the capitalist countries to the new situation in the world by no means reduced the amount of capitalists' appropriation of the added value created by the workers. With built-in inflation in the reproduction mechanism of capitalism, the monopoly bourgeoisie also ensured the pace of its accumulation which had restrained the declining trend of profits. Thus, between 1947 and 1972 wage costs in the U.S. processing industry increased by 17 percent, whereas wholesale prices of industrial commodities increased by 67 percent and consumer prices by 87 percent.

In the 1970s the gap between the real income of the working people and the cost of living widened even further. According to the estimates of Western economists, the family income of the average American worker (excluding taxes) consisting of three dependents, was \$102.5 weekly in fixed prices and was lesser than in 1972. In order to maintain even this reduced level of earnings, the American working people were forced to lose 38 million work days in labor conflicts (compared with 27 million in 1972). As a result of increased prices and higher labor intensiveness, which outstripped earnings, the degree of exploitation of the working class increased steadily. According to the noted American Marxist economist V. Perlo, the standard of added value in U.S. processing industry nearly doubled between 1953 and 1980.

However, neither state-monopoly control nor expanded capital reproduction as a result of the inflationary plunder of the working people hindered the development of the general crisis of capitalism but, instead, intensified it through qualitatively new phenomena. The relatively low price increases in the 1950s and 1960s were replaced by galloping and chronic inflation in the 1970s. At the beginning of the last decade, the capitalist economy had exhausted the main growth factors which had operated in postwar years, such as the renovation of the production apparatus after the first postwar wave of scientific and technical progress, the expansion of international trade and the relatively inexpensive cost of energy and raw materials. Capitalism entered the area of "stagflation," as bourgeois economists described the combination of economic stagnation with chronic inflation.

The inflationary type of development on which the Western ruling circles relied in the first post-war decades, in order to ensure expanded reproduction and a relative social stability, began to hinder the accumulation of monopoly capital. It was for that precise reason that inflation was proclaimed "social enemy number one." The main trends followed in the anti-inflationary economic policy of the Western governments, starting with the end of the 1970s was the "strict economy" of state expenditures, above all for social needs, and the dismantling of the state sector. At the same time, the monetary policy of the bourgeois governments, above all in the United States and Great Britain, was



oriented not toward encouraging but restraining business activities, with a view to creating the type of situation on the labor market which would enable business to increase the degree of exploitation of the workers, using classical forms of appropriation of added value: freezing and reducing wages. In the United States, this was known as "Reaganomics," named after the policy practiced by the President: in Great Britain it was given the name of "Thatcherism."

"In order to defeat inflation without direct control over wages a Draconian taxation and credit policy is needed, leading to a drastic curtailing of demand, high unemployment and increased decline in production capacity.... This strategy is an old one, developed through the creation of a 'reserve army' of unemployed," said F. Bator, Harvard University professor, writing in the London *ECONOMIST* (21 March 1981, p 29). It was not by accident that the professor put the last words in quotes: he had borrowed them from "Das Kapital," in which K. Marx had described the mechanism for intensifying the exploitation of the working class through mass unemployment.

It is precisely such a reserve army that appeared as a result of the cyclical overproduction crisis of 1980-1982 and the initiated technological restructuring in a number of industrial sectors. Even despite the upsurge which took place in the world capitalist economy in 1984-1985, no substantial reduction in unemployment followed. In the United States, for example, in the past 2 years unemployment has stabilized on the level of more than 7 percent of the manpower, affecting more than 8 million people (according to the American trade unions, it is actually 12.6 percent). As to the overall number of unemployed in the 24 developed capitalist countries members of the OECD, at the start of 1986, according to official statistical data, they numbered 40 million: an army of "surplus people" larger than the combined population of the Netherlands, Belgium, Denmark and Switzerland. On an incomparably higher level of development of production forces at the turn of the 21st century, once again capitalism is displaying a crying contradiction between the demand for proportional development of public production in countries with a highly developed economy and the conditions of the contemporary private-monopoly appropriation of the results of the labor of the proletariat.

The preservation and intensification of class inequality, even in the narrow bourgeois meaning of the term, reducing the conflict between capitalism and the workers only to income inequality, became the pivot of the macroeconomic policy of the ruling circles of state-monopoly capitalism. "The streamlining of governmental expenditures," "increasing the flexibility and open nature of economic systems and financial markets," a monetary policy contributing to "more productive capital investments" were formulations found in the documents issued year after year at the outcome of economic conferences of the leaders of the seven leading capitalist countries meaning, essentially, one and the same: pursuit of a class-based and coordinated policy among all industrial capitalist countries which would create ever more favorable conditions for the exploitation of the proletariat. The ruling circles in state-monopoly capitalism actually gave an ultimatum to millions of working people: either agree with a lower standard of living or, in the opposite case, become "surplus people."

## II

The "business press"--the name given on the Western information market to an influential group of periodicals published for businessmen--is full of optimism. The most protracted and profound postwar economic crisis led to a drastic change in the correlation of forces between entrepreneurs and unionized workers. For the first time in postwar years, the spokesmen for the monopolies said, exultantly, thanks to unparalleled unemployment business has been able to curb the trade unions in the entire OECD zone. In the course of the talks on new collective contracts, under the threat of dismissals, the entrepreneurs have forced the trade unions to accept a lowering and freezing of wages or else minimal wage increases over the next few years.

After marathon talks which lasted a number of months with the steel workers union, the seven leading metallurgical corporations in the United States concluded in the spring of 1983 a collective contract according to which manpower costs dropped by 7 percent. In the first year of its operation, the steel trusts saved some \$600 million in wages. The American automobile magnates saved even more: between 1982 and 1984, by reducing paid leaves and freezing wages they were able to lower their costs by \$3 billion. In 1983, the wages of railroad workers, teamsters, and workers in the food, rubber, agricultural machine building and a number of other industrial sectors in the United States were frozen for a 3-year period. The average annual wage increase of 3 million American workers, in behalf of which the trade unions signed collective contracts with the entrepreneurs in 1983, was the lowest for the preceding 16 years. In 1984 unions with a total of 2.3 million members had to grant even greater concessions.

A similar situation was noted in the Old World. According to the British Incomes Data Services, a research company, the purchasing power of the majority of hired blue- and white-collar workers in Western Europe declined. The main reasons were a drop in wages in the state sector, and wage freezes in the conclusion of new collective contracts, reduced sick benefits, lowered minimal wages and mass layoffs. This trend prevailed in the last 2 years as well. According to EEC data, between 1980 and 1984 average hourly worker earnings dropped by 3.3 percent in Belgium, 3 percent in Luxemburg, 2.3 percent in the FRG and 1.2 percent in the Netherlands and Denmark. The lowest wage, according to the statisticians, is the one paid French and Greek workers (see "L'Office statistique de la CEE," January 1986).

In 5 years, from 1979 to 1984, the real cost of manpower to the capitalists increased by 0.4 percent in the United States and by no more than 1 percent in the Common Market. Since this very modest increase of earnings by the working people was compensated by higher labor productivity, the cost per unit manpower did not increase but kept declining. In the U.S. processing industry labor productivity, starting with the 1960s, has been increasing by an average of 3 percent annually. Hourly worker output between 1979 and 1985 increased by 18 percent in the steel industry, 20 percent in the automobile industry, 40 percent in the tires manufacturing industry, and in radio engineering even more, 75 percent. According to French economists, the added value obtained by industrialists increased by 10 percent in 1983-1984 exclusively thanks to increased labor intensiveness and without additional manpower costs or

investments in new equipment. In 1984, for example, capital investments dropped by 2.9 percent in France while labor productivity increased by 5.3 percent (see CAHIERS DU COMMUNISME, December 1985). Therefore, the present offensive mounted by capital on the living standard of the working class is taking place under circumstances in which it was already substantially undermined by the 1980-1982 crisis and the persisting mass unemployment and chronic inflation.

Starting with the beginning of the 1980s, the organized working class in virtually all developed capitalist countries began to lose one of the important economic gains of the 1960s-1970s--indexing earnings to cost of living increases. This has already brought about, wrote BUSINESS WEEK, the spokesman for the American monopolies, "the first serious slowdown in the growth of wages since they drastically dropped in the beginning of the 1930s." Neoconservative economists have estimated that in order for today's huge army of American unemployed to drop to the level of the 1960s, nominal worker wages must be reduced by approximately 25 percent, despite the fact that in terms of reduced earnings the working people in the United States have already outstripped many other Western countries.

Such "Reaganomic successes" are causing sharp jealousy in the Old World. "We would have had more money to invest in state sectorial enterprises," M. Thatcher said in justifying the policy of "strict economy" in social expenditures "had we not had to pay higher wages.... In the United States real wages have not increased since 1977." The FRG as well imitated the antilabor policy of the "Reaganauts:" the economic course charted by the governmental coalition of rightwing bourgeois parties has already brought about the highest level of permanent unemployment for the past decade, and a curtailment of social programs and, as a result, a substantial decline in the living standard of the toiling strata.

The already frequently tried 19th century bourgeois method--the use of mass unemployment in order to exert pressure on the working class--has become today the main weapon for social revenge. Meanwhile, we cannot fail to see that other negative factors as well are affecting the situation of the proletariat in the developed capitalist countries. One of them is the accelerated process of international capitalist division of labor. In pursuit of higher profit returns on capital investments in the developing countries, where manpower costs are sometimes ten times lower than in the centers of industrial capitalism, the multinational corporations are moving their production and jobs to the periphery of the capitalist economy.

The trade expansion of Japanese business, which has achieved a significantly higher reduction in manpower costs, is exerting increasing influence on the situation of the labor markets in the United States and Western Europe in recent years. The aggravation of international competition is accelerating the development of structural crises in the economy and leading to a decline of traditional industrial sectors in Western countries, such as metallurgy, shipbuilding, and the textile, chemical and automobile industries.



### III

Starting with the 1980s corporate America initiated a "revolution in work rules." Such was the description given by BUSINESS WEEK to the new stage in production rationalization in industry and services, which increased the length of the working day and work intensiveness (see BUSINESS WEEK, 16 May 1983, p 58). The owners of aerospace companies forced civil aviation pilots to extend flying time without wage increases; the owners of automotive transportation and railroad companies converted truck drivers and locomotive engineers to an hourly wage system instead of payments per mile of run, which substantially increased their working time. The Swift meat combine, the largest food monopoly, simply eliminated one of the two 15 minute breaks in the course of the working day, without increasing worker wages. The same is practiced by the owners of textile factories and rubber plants. Managers of machine building enterprises are "revolutionizing" labor conditions essentially by increasing the hours of work without paying for overtime, broadening the functions of the workers and forcing them to combine skills.

The entrepreneurs claim that such innovations are created by greater technological complexities. Starting with the 1920s, when Taylorism methods began to be extensively applied in U.S. industry, work was based on strict specialization, on performing a single operation. The nature of labor changed as simple labor became more complex: today the owner needs a highly skilled worker who can not only operate the equipment but also maintain and tune it. The industrialists are interested in the ability of workers to replace one another and to display greater independence in decision making. "It is a question of performing the same volume of work with fewer people or more work with the same number of people," was the way Ch. Jones, director of one of the tires plants of the Goodrich Rubber monopoly, in charge of labor relations, described the essence of the "new rules" imposed on the trade unions. The coercion tactic is the same as in wage bargaining: the owners issue an ultimatum to the workers: increase work intensiveness or we close the plant down.

The establishment of so-called "quality circles," on the example of their Japanese competitors, also leads to the increased exploitation of highly skilled workers at many enterprises in the U.S. and Western European processing industries. In such circles the workers themselves must seek, analyze and solve problems of improving quality, perfecting production technology and reducing production material intensiveness. The new form of exploitation of the creative potential of the working people yields substantial additional profits to the capitalists under the conditions of the aggravated competition in foreign markets.

The new wave of production automation, related to the use of microprocessors and industrial robots leads to the increased "intellectual load" imposed on the worker and to an increase in the nervous stress of his labor. According to forecasts, by 1990 robots in U.S. processing industry will replace 20 percent of all workers. In Great Britain the use of robots will reduce the army of the industrial proletariat by approximately one third. Plants built on the principle of flexible production systems are already operating in Japan, the United States and Great Britain. Here virtually all operations are

carried out by microprocessor manipulators and a few operators merely set and supervise the work of automated machine-tool lines. The "rush to automation," the American journal FORTUNE noted, leads to the creation of plants without workers: it is more profitable to the industrialist to invest his capital in robot technology controlled by a handful of workers. Naturally, this avoids trouble with trade unions and strikers. No funds must be spent on training workers and on insurance. The entire profit will come from capital itself, without any exploitation of the worker.

Actually, replacing workers with robots reflects the "steadily increasing importance of past labor, participating in the guise of means of production in the live labor process, which practical capitalists and their windbag ideologues," Marx wrote, "ascribe not to the worker himself, whose past and unpaid toil is embodied in the means of production, but to the embodiment of this toil within capital, alienated from the worker" (K. Marx and F. Engels "Soch." [Works], vol 23, p 622). A new leap in productivity provided by the use of robots is inevitably accompanied by a drop in the cost of manpower and, therefore, an increased level of exploitation. This is not only because of an increase in the reserve labor army, kicked out of the plants. Even if along with this the real wages of highly skilled workers who service the automatic machines are increased, such wages will never be increased in the same proportion as their labor productivity. The growth of productivity brought about by production automation and robotics leads to an increased added value appropriated by the capitalists and created by more skilled workers compared with their class brothers, who have been replaced by automatic machines and robots.

The enterprise owners extract profits not only from the technological restructuring of the production process by replacing live labor with automatic machinery but also by using the very threat of such reorganization. Today workers can keep their jobs only, as bourgeois economists point out, if their wages and work intensiveness and quality are on the level at which investments in capital assets are less profitable to the industrialists than the use of live labor. That same FORTUNE cited the example of the Briggs and Stratton company in Wawatosa (Wisconsin) which is successfully competing with enterprises where automated lines have already been installed. The secret of the high productivity at this "miracle plant," the journal wrote, "lies in the intensive use of the manpower. The workers waste no time in coffee breaks (they have only one 6-minute break during the working day). They do not even walk but run to the bathroom." It is no accident, therefore, that in the list of the 500 biggest U.S. corporations, annually published by FORTUNE, in 1985 Briggs and Stratton were 379th in the volume of sales but 227th in the terms of returns on invested capital. As to the overall level of profits of stockholders in American industrial corporations, the increased degree of exploitation of the working class last year increased their dividends by 24 percent (see FORTUNE, 28 April 1986, p 136).

The Japanese example of increasing the physical and psychological load on the worker is worthy of total duplication from the viewpoint of Western industrialists. Compared with any other country around the Pacific, Japan uses more robots by a factor of 3.5. The gap between that country and the Old World in terms of the use of robotics is even more striking. However, it is

the higher worker output that remains the decisive competitive advantage of Japanese business. In the automotive plants of the Land of the Rising Sun one worker assembles about 50 passenger cars per year, compared with 20-15 at Ford plants in Europe and the French Renault. Production outlays for numerical control machine tools in Japan are half those in the FRG. Japanese business obtains significant capital returns also from a classical method of extensive exploitation, such as the length of the working time. According to data which came out in April 1986, workers in Japan's processing industry total 2,180 hours of work annually, compared with 1,934 in the United States, 1,941 in Great Britain, 1,652 in the FRG and 1,649 in France. Only 27 percent of all Japanese hired labor enjoy two days off weekly. More than one half of Japanese workers, sociologists have pointed out, take only 1 or 2 days off per month and one paid leave every 2 to 3 years, afraid of being classified as uncaring and losing their jobs.

Western industrialists are trying to catch up with their Japanese competitors by making the workers work overtime. In addition to fixed capital savings from the use of fewer workers with the same type of equipment, this method enables the entrepreneurs to reduce the cost of training new workers and to save on social benefits withheld for social security, the more so since by no means is all overtime paid at a higher rate. Thus, at the beginning of the 1980s, only about 40 percent of the working people working overtime were being paid overtime wages in the United States.

"In the last decade Western admirers have borrowed a great deal of the progressive experience in management, production organization and manpower use which made Japan a powerful competitor on the world markets," enviously wrote BUSINESS WEEK last March in the article "The Secret Japanese Economic Weapon." "However, they omitted a key factor in the competition, such as the exploitation of women." The legitimized discrimination against women, who account for 40 percent of the entire hired labor, yields huge profits to Japanese business. According to official estimates, the average woman's wage in Japan is 52 percent and, in a number of sectors, even one third that of men's earnings, whereas in the other capitalist countries it accounts for 60 to 70 percent.

As we can see, the arsenal of means used by the modern exploiters in order to extract profits from the worker comes in a great variety, from old methods for increasing added value, such as extending the work day and the employment of women and children, to the latest means of extracting the "intellectual sweat" in "quality circles" and behind computer panels which control robots. In addition to a lowering of the real wages, in recent years a substantial increase in labor intensiveness and worsening of its conditions may be noted in all developed capitalist countries, directly related to the increasing lack of security of the working people, pressured by a mass and persistent unemployment. In describing the essence of the trend toward the absolute impoverishment of the proletariat, Marx noted that it is theoretically possible even with an increase in the real worker wages if labor intensiveness--the muscular and nervous energies spent by the workers--grows faster than real earnings. In the first three postwar decades increased labor intensiveness was accompanied by an increase in worker earnings, i.e., they received adequate compensation for the reproduction of their manpower. During



the cyclical revivals of the economic circumstances in the 1970s, there were times when the increased real earnings of industrial workers, in the United States for example, even outstripped the growth of their output. In other words, the organized working class was able to erect, as Engels said, "a barrier to the growth of poverty."

The picture changed in the 1980s. The social revenge taken by the ruling circles of state-monopoly capitalism led to the fact that the trend which appeared in the global capitalist economy toward the absolute impoverishment of the proletariat is now operating to the fullest extent not only in its neocolonial periphery, where it never stopped, but in the developed capitalist countries as well. This trend was manifested in the steady decline in the living standard of the broad toiling strata and the real poverty of those who were cast overboard by "Reaganomics," "Thatcherism" and similar anti-people's policies. "Who among us, the members of the senior generation, could think that one could see for the second time in one's lifetime in the rich countries situations in which thousands of people are lining up for a bowl of soup," said Willi Brandt, president of the Socialist International, at its 1983 congress. The removal of safety nets in social insurance, such as partial state unemployment compensations and aid to low-income population strata; reduced expenditures on health care and education; lowering and, in some cases, elimination of minimal wages; elimination of wage-indexing based on the cost of living, i.e., all that which prevents the monopoly "free entrepreneurs" to increase the level of capital accumulation through the exploitation of the working people, also contribute to the worsening of the material situation of the proletariat.

It is as yet difficult to provide a total assessment of the way in which the increased degree of exploitation of the proletariat, as a result of social revenge, has affected the situation of the toiling masses. This requires a more thorough analysis, bearing in mind that its consequences will be different in the individual developed capitalist countries due to the specific features of the reproduction of monopoly capital and the correlation of forces on the fronts of the economic struggle between the proletariat and the bourgeoisie. Unquestionably, however, the social revenge of the 1980s has already brought about the absolute worsening of the material situation of the proletariat in Western countries and its even greater relative impoverishment.

#### IV

"A return to total employment can be ensured only by reducing the share of wages in the national income and considerably increasing within it the share of profits and return on capital." It was thus that, bluntly, S. Britten, deputy editor in chief of the London FINANCIAL TIMES, defined that which in the language of Marxist political economy means the growth of relative impoverishment of the proletariat, which is an objective law of capitalist accumulations and which its bourgeois defenders have repeatedly tried to refute (see FINANCIAL TIMES, 16 September 1982, p 22).

Here as well Japanese state-monopoly capitalism is the example and model of emulation by Western "free enterprise." From the mid-1950s to the mid-1970s hired labor in the Land of the Rising Sun more than doubled whereas the share

of wages in the national income increased by no more than 14 percent. Meanwhile, the "share of profits and return on capital" also doubled. One of the factors in the distribution of the social wealth, so profitable for Japanese business, Western economists emphasized, is the absence in Japan of a developed state social security system. At the beginning of the 1980s payments for social needs accounted for 12.7 percent of the national income in Japan, compared with 16.5 percent in the United States, 19.5 percent in Great Britain and 28.7 percent in the FRG.

The envy caused by the low level of governmental and business expenditures for social needs, considered unproductive from their viewpoint, which the "Japanese model" triggers in its Western imitators, is fully understandable. However, even in Western countries in which its bourgeois defenders were recently praising their "universal prosperity," it has neglected entire categories of working people. The overall increase in living standards in the postwar years coexisted in those countries with poverty and material privations, fully comparable to the situation of the proletariat in the 19th century. According to a study made by Cambridge University, the earnings of 10 percent of low-paid Britons performing physical labor amounted in the 1980s to 68 percent of the average per capita income in the country, i.e., their wages were as low as that of 10 percent of the low-paid workers 100 years ago. Based on the poverty level, which includes working people earning less than 66 percent of the per capita income at the beginning of this decade, this applied to 16 percent of the French, 13 percent of the U.S., 11 percent of the Canadian, 6 percent of the Norwegian, 3.5 percent of the Swedish and about 3 percent of the FRG population. As a whole for the OECD countries, according to the ILO, 60 million people or 12 percent of the entire population had earnings below the subsistence minimum.

Time makes corrections to poverty statistics: in the United States, for example, the share of the population officially classified as poor, exceeded 15 percent (about 35 million people) in 1983 and continued to rise. The desperate situation of entire population strata remains hidden behind average statistical computations of income levels.

Following are several factors proving, as V. I. Lenin pointed out, that "words on the increase of poverty, etc." are accurate not only as features of a trend but also as indications of the growth of "social poverty," i.e., the growth of disparity between the status of the proletariat and the living standard of the bourgeoisie" ("Poln. Sobr. Soch." [Complete Collected Works], vol 4, p 218). In 1982, at the peak of the economic crisis in the United States, the United Steel Workers Union had to organize a collection of food for laid-off union members so that they may feed their families. In an effort to help comrades who had lost their jobs to make their health insurance and monthly credit card payments, the steel rollers as well set up a fund. That same year, X. B. Waldron, president, and Stuart D. Watson, chairman of the board of Reynolds Metals, one of the metallurgical corporations, which had forced the union to accept a wage freeze under the pretext that it had lost \$23.7 million, "earned" \$3 million each. The UAW collected 300,000 tins of canned goods and \$176,000 to help the families of workers laid off by the General Motors Corporation. That same year, the income earned by Roger Smith, General Motors manager, was \$549,000.

The income of corporation directors, which include salaries and various types of bonuses and profits from speculating on the stock market, exceeds the average wage of industrial workers by a factor of approximately 10-15. The individual "salary" of a director is not reduced even when his company has shown a loss from reduced output and demand. In the United States, for example, the income of managers of corporations, even during times of crises, has averaged a 16 percent increase. The gap between the labor income of the proletariat and the profits of the bourgeoisie is also confirmed by the amount of profits of owners of government and bank bonds, which have been increasing in recent years. The parasitical income of the American bourgeoisie from bank deposits alone today exceeds \$430 billion annually and accounts for more than one quarter of total earnings in the private economic sector. Such are the specific results of the policy of high bank interest rates set by the "cabinet of millionaires," as ordinary Americans describe the Reagan administration.

However, even such a tremendous redistribution of the social wealth in favor of a handful of moneybags pales compared to the scale of the plundering of the working people by the circles of the financial oligarchy related to the war business. The militarization of the economy in the leading Western countries absorbs huge resources, the use of which in the civilian economic sectors would have made the solution of many grave social problems affecting the industrial capitalist countries possible, problems which brook no delay, such as hunger, poverty, scarcity of medical aid and the cultural backwardness of developing countries. The reliance of the Western ruling circles on militarization is the result not only of the aspiration organically inherent in imperialism toward the suppression by force of entire countries and peoples but also the efforts to achieve military-strategic superiority over world socialism. The militarization of the economy is one of the manifestations of the trend toward parasitism and decay of capitalism as a social system.

In the way the aggravation of international competition forces the national groups of the monopoly bourgeoisie to try to increase the norms of capital accumulations at the expense of the working class in its own country, the rivalry among financial capitalist groups in reaching higher levels of profit leads them to accelerating the most profitable and safe business, which is that of military orders financed by the taxpayers. The scale which the plunder of the working people by the magnates of the military concerns has reached in the United States may be judged by the fact alone that 64 cents of each dollar paid by the American taxpayers go to military expenditures. The superprofitability of the war business has created the types of situation which, as early as the end of the 1970s, as Columbia University professor S. Mehlman estimated, the share of military expenditures in the fixed capital generated in the United States has reached 46 percent (18.9 percent in the FRG). The unparalleled pace of the arms race initiated by the Reagan administration led to the fact that military appropriations account for more than one half of new production facilities installed in America. Militarism, which permeates all aspects of life, has become the most popular means of boosting the economy.

The intensification of the arms race increases unemployment and the cost of living and reduces the share of resources which the bourgeois governments allocate for the satisfaction of social needs. American economists have



calculated that each billion dollars appropriated by the government for military purposes leads to the loss of 14,000 jobs in industry and 30,000 in government establishments. The annual state budget deficits, caused by excessive militaristic expenditures, are the main reason for the depreciation of money and the higher cost of living. The reduction of governmental expenditures for social programs, paralleling the growth of military expenditures, worsens the social poverty and dooms to material privation the poorest social strata. It also creates additional pressure on the labor market, affecting wages and the degree of exploitation of the proletariat.

That is why the slogan of the worker and democratic movements of "jobs, not missiles" has become today a meaningful expression of the unparalleled contradiction between the vital interests of the majority of the population in capitalist countries and the socioeconomic policy and aggressive foreign political course of state-monopoly oligarchies. The toiling masses are realizing through bitter experience that the promises of the defenders of capitalism to the effect that this social system would provide them with material sufficiency proved to be a fraud. Nor were the hopes for a better future justified for that segment of the working class which, hoping to improve its situation in bourgeois society, limited itself merely to the struggle for short-term economic interests rather than radical sociopolitical change.

The social revenge which the capitalist class is currently trying to take on the working people and the increased degree of their exploitation in all of its forms have caused tangible economic harm to the working class. However, it is too early for the monopoly bourgeoisie to celebrate victory. The Western working class has still not said its last word. It is becoming increasingly convinced that no other way for liberation from the yoke of capitalist slavery exists other than political struggle against the entire system of state-monopoly capitalism.

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## BOOK REVIEWS AND BIBLIOGRAPHY

### ASSIGNMENT FOLLOWING A BOOK

Moscow KOMMUNIST in Russian No 13 Sep 86 (signed to press 2 Sep 86) pp 120-123

[Review by D. Kazutin, journalist, of the book "Garantiya" [Guarantee] by Yu. A. Gorbunov and Yu. D. Petrenko. Story of the initiative of the workers of the Seversk Pipes Plant. Srednoye-Uralskoye Knizhnoye Izdatelstvo, Sverdlovsk, 1986, 128 pp]

[Text] Many people have said and written the following about the Seversk Pipes Plant imeni F. A. Merkulov, in the Urals: it has a good and firm foundation. This does not apply to the foundation on which the plant has been built, for that foundation is simply consistent with standards, but of the foundation on which the collective, who decided to test the new guarantees of order and organization, has been and continues to be built.

At the December 1984 All-Union Practical Science Conference on Problems of Ideological Work, B. N. Yeltsin, at that time first secretary of the Sverdlovsk party obkom, described the way in which as early as the turn of the 1970s the plant workers came up with a suggestion on strengthening the discipline, considered radical for its time: the entire brigade was to assume moral and material responsibility for any violation. "However, the initiative from below encountered obstructions at the top. There were repeated prohibitions issued by a number of ministries and departments and some trade union central committees, and a subjective approach or passive neutrality adopted by some respected central newspapers, etc."

This very promising initiative was also described and supported by KOMMUNIST (No 14, 1985). It must be pointed out that by the end of last year the slogan of the Seversk people of "a collective guarantee for labor and social discipline" was adopted in Sverdlovsk Oblast alone by 17,000 brigades of 328 enterprises.

Finally, at the very beginning of this year, a small yet meaningful book was published by Yu. Petrenko, secretary of the party committee at the Seversk plant, and Yu. Gorbunov, a Ural journalist, entitled "Garantiya," the story of the difficult fate of the Seversk initiative and, at the same time, in my view, a very successful effort to interpret, if you wish, the philosophy of this initiative.

The pamphlet convincingly describes the experience gained through the initiative of the Ural workers, in the course of at least 15 years. This work was exceptionally sensitive, for it dealt not with technology but with psychology. Oleg Vasilyevich Tantsyrev, the plant's director, summed up the experience as follows: "in his time, A. S. Makarenko accurately said that experience in acquiring responsibility is developed in the collective with the greatest possible difficulty but, once adopted, it can make miracles to happen" (p 25).

The book is written in a lively style and makes interesting and easy reading. Essentially, it is a portrait of a labor collective in its dynamics, development and struggle. Here are some typical chapter headings: "Trial by Mistrust," "'Violation' of the Letter of the Law," "What is Humaneness?," "Worker Pride," etc. In themselves, they speak of the dramatic and tense quest by the Ural people leading to the present crucial times.

Nevertheless, in reading "Garantiya," I admit to some doubts. Whatever one may say, although timed for the opening of the 27th CPSU Congress, nevertheless the book dealt mostly with the past. After April 1985 and after the party congress, many of our criteria and approaches had changed sharply. Was "Garantiya" consistent with them? Not the book, naturally, but the act which it described?

The party considers the reorganization a revolution in the entire system of social relations in the minds and hearts of the people and in the mentality and understanding of the contemporary period and, above all, of the tasks related to tempestuous scientific and technical progress. So far, not everyone is ready for this, not everyone has understood it, not everyone believes in it. Some people try to deal with the reorganization in terms of words and promises. Others are satisfied merely by using easily accessible reserves. Others again have become confused and do not know what to do further, how to follow untrodden paths. What about the people of Seversk? Are they advancing? Are they going upwards? More than 6 months have passed since the congress, 6 months which have been more saturated and crowded with events than entire calendar years.

For example, the authors of this work write that it was decided at the plant to set up a reserve of brigade leaders as candidates for promotion (see p 50). One reads this and thinks: naturally, this was a good project but did it merely remain a pious wish? In the book, the deputy chief of the pipes rolling shop pledges that "...we shall automate the production of rings and upgrade the quality of pipe coating and finishing which will be no worse than the Japanese" (p 96). One questions, however, whether this was merely said to make a good impression? Or else we are told that B.S. Glazyrin, chief of the Martin shop, signed a collective guarantee pledge for discipline and order in one of the brigades (see p 62). Again one doubts whether all this remained on paper only, for on paper everything is possible? Did the chief of a huge shop lack enough other things to do? Briefly, were the people of Seversk able to truly make use of the powerful impetus of the reorganization which the 27th Congress gave the country?



The only way to dispel these doubts was to visit the plant. Checking the book against reality proved to be quite instructive. "Garantiya" was entirely able to withstand the "trial by mistrust."

Naturally, some features and facts which could dispel the doubts could be found in the book itself, the more so since its authors had not limited their story to the last 15 years. The Seversk ascent did not start only 10 to 15 years ago. The traditions of worker consciousness were not born yesterday. The long history of the plant helps us to understand a great deal of the present.

As early as 1918, the people of Seversk displayed their firm will for proletarian self-government: a business council was set up at the plant, consisting of 75 percent of workers and 25 percent of engineering and technical personnel. "The business council," confirms one of the participants in the events, "had a great deal of work. The people turned to it with a great variety of production and daily life problems. At that time the plant was experiencing a great deal of difficulties. For example, there was no feed for the horses. Horses were then used to haul the ore, wood and coal. The business council strictly controlled the allocation of oats" (p 38).

One may smile at the problem of oats. But here is a very recent fact. The cost accounting brigades working on the basis of individual accounts, saved materials and fuel worth several million rubles during the 11th 5-year period; last year they saved more than 3 million rubles. Let us point out that this occurred precisely at a time when other, negative, trends had begun to dominate in our industry. You may ask: what is the connection? Let me answer: it is genetic, one of legacy. Naturally, it is not a question of what you may call it, but of its essence.

Here is another fact. At the beginning of the 1960s the people of Seversk decided to produce above-plan items with saved raw materials. The metallurgical workers were able fully to appreciate the experience gained at that time only last year when the plant began to work under the conditions of the economic experiment, which called for a stressed plan.

It turns out that as early as the 1960s, as though surreptitiously, the labor collective was preparing itself for the crucial situation of the mid-1980s. However, no superperspicacity could be found here. What actually existed were preparations for the economic reform of 1965 and the conversion to a new system of planning and economic incentive; the collective adopted a very serious attitude toward it. Above all, there was the firm tradition of feeling themselves representatives of a class, a revolutionary class, and as the owners of the production process. Loyalty to this tradition helped the Seversk people not to yield to the wheel-spinning of the 1970s and start of the 1980s.

Without such a special background developed in the people and the actions of the progressive collectives, the sharp turn of the country towards acceleration, to which the party directed the people, would have hardly been possible. This background is one of the most important foundations for the realistic nature of our current economic strategy.

When I say now that the Seversk plant is firmly organized, what I have in mind above all, is the energy of a true worker's tradition. This tradition always clashes with what has become customary, what has become established and convenient. This is the foundation of its power and drama.

Many people may remember the initial and as still quiet mentions of a certain slowdown in the pace of the country's economic development at the turn of the 1970s. Conversely, the people of Seversk remember this time as one of a developed upsurge in production and the struggle waged by the Martin shop against slackness, irresponsibility and drunkenness. It was governed by a simple worker principle: if a single person was absent, gotten drunk and sent to a sobering institution, the entire brigade would lose some of its annual bonus. Albert Ivanovich Komarov, then steel smelter and now deputy chairman of the plant committee, explained to me the situation which prevailed at that time in the Martin shop as approximately thus: "The brigade assumed collective responsibility for the plan and for defective work. Discipline was the responsibility of the brigade leader and the foreman alone. Naturally, those materially liable were responsible for the damage. Violation of moral responsibility was somewhat more difficult to handle. Deprivation of bonus and of the thirteenth salary turned the person less into a culprit than a victim and one could feel only pity for a victim. But when the entire brigade was harmed in real terms, in rubles, things became totally different."

However, it was precisely this change that was opposed by many people. A situation related to surrendering the right to a bonus, which everyone had so warmly approved in Gelman's "Party Committee Session," met with a number of stubborn opponents in actual life, and the confrontation lasted 15 years.

The idea considered by some jurists as nothing but a violation of the law and arbitrariness, claiming that one person cannot be considered responsible for a violation he had not committed, was countered by the labor collective with the firm will for self-government in a most important matter: strengthening the discipline. Absenteeism, and drunkenness by a brigade member, the workers said in their objection to the lawyers, is our common fault, a fault in education, imperfect relations within the collective and the entire brigade is responsible for such a fault. The fresh wind of April 1985 was needed for the initiative of the Seversk people to be acknowledged and approved, although again not without stipulations, by the AUCCTU presidium and the union's State Committee for Labor and Social Problems.

Let us, at this point also mention the April plenum. It was precisely then that it was pointed out that socialist democracy should not be conceived in abstract terms, and law and order only on a formal basis. They are and remain instruments of economic development, growth of human activeness and communist education of the masses. The self-governing principle of discipline and order of the Seversk workers is not only consistent with this formula but also teaches us properly to behave under the specific conditions of our democracy.

Plant sociologist Sergey Grigoryevich Vasilyev showed me a diagram charting drops in working time losses (unfortunately, not included in the book) and of losses caused by absenteeism from 1969 to 1985. This, let me tell you, is the true story of the struggle! Suffice it to compare the two end indicators:

whereas in 1969 there was a loss of 24.7 man/days per 100 workers, in 1985 there was no more than 3.1. What about this year? During the first half, as I was told at the plant, this drop is continuing.

But was it only the shame of having deprived one's comrades for some of their bonus which, generally speaking, was small, the only moral influence in a ruble equivalent?

Some indications to this effect exist. There were cases in which the truant tried to compensate from his very first wage for future losses to his comrades resulting from reduced bonuses. Naturally this "bribe" was rejected. Occasionally, the culprit begged to be fired. He was talked out of it. The most interesting fact is that in the past 17 years not a single worker has complained about a reduction of his bonus to the conciliation commission or the court although, legally and officially he has been entitled to do so.

I asked a number of people for the reasons and the answers were roughly the same: "A man has signed the pledge voluntarily. How can he reject it?" One can feel the complex psychological mechanism which the Seversk people have brought into action through their initiative! All of this was for the sake of strengthening order and discipline, but not the type set "from above," through stern administrative orders, but the one which strengthens "from below," from the foundations, thanks to collective exigency and collective responsibility.

What makes the initiative of the Seversk people strong is that it leads from discipline to self-discipline. This is the prerequisite of an entirely different quality in our progress. Incidentally, many people at the plant consider today the word "initiative" inappropriate. "Initiative," I was told by Petr Stepanovich Zudov, chairman of the brigade leaders' council and one of the characters in the book, "took place 17 years ago. Now, we have a system."

Once again the plant had to take the difficult yet inevitable test with the opening of the pipe-rolling shop in 1976. The "trial by pipe" applied not only to the pipe makers but also to the central plant laboratory and the services of the chief engineer and chief mechanic, the technical control and, not least but, above all, to the personnel of the Martin shop. Boris Sergeyevich Glazyrin, the chief of the Martin shop, recalling those tense weeks and months, told me the following: "This was a classroom where everyday everyone was asked to step up to the blackboard."

A great deal had to be "relearned." The metal casting technology was new, the form of the ingots and their quality requirements were unusual. It was precisely then that the shop chief signed in one of the brigades the pledge of collective labor and public discipline guarantee.

"Were there wage losses by the end of the year?" I asked.

"There were. However the 'profits' were much greater."

Just imagine that the chief of your shop pledges to "pay" for your absenteeism or for any other failure caused by you out of his own bonus. This would lead to a rather delicate situation. But no one, as I especially determined,



said: "Glazyrin wants to play at democracy." It was all too obvious that he was not playing but was strengthening democracy with his personal example, in its most direct manifestation. He taught and learned democracy himself. Following Glazyrin, other managers and shop specialists "assigned" themselves to brigades. They became better familiar with the people and gained a better understanding of who could do what. This meant that the reserve brigade leaders were activated.

Such "profits" were even greater for Dmitriy Ivanovich Kravets, head of milling brigade at the pipe-rolling shop. In order to develop it, he challenged to competition V. M. Pavlyk, drilling foreman at Nizhnevartovsk. The contract was the following: the metallurgical workers will supply the petroleum workers only high quality pipes and the drilling workers will drill their wells without breakdowns.

The guarantee method spread, involving ever new people from unrelated enterprises. Now the entire plant is related through reciprocal socialist pledges with the Nizhnevartovskneftegaz Production Association. In addition to everything else, such steadily strengthening and richer individual human relations, such contacts make it possible for the petroleum workers to see for themselves the way the pipes are made, and the metallurgical workers, the way these pipes are used.

When the petroleum workers requested that pipes of a smaller diameter be produced the metallurgical workers reacted to this request with understanding although this lowered the volume of output by 55,000 tons. However, the people of Seversk managed. They partially reconstructed the equipment which was made more efficient. Now they save 57 rubles per ton of pipes. The main, the most important result, however, achieved by the people of Seversk was self-discipline: the stable 100 percent implementation by the plant of its contractual obligations for deliveries for a number of years, which has by no means become standard in our industry. This is a basic indicator which also applies to the quantity and quality of the work. It dispersed my final doubts: the people of Seversk are persistently approaching the world "Japanese" pipe standard.

The efforts of the Ural metallurgical workers were properly rated. Last spring, speaking in Togliatti and comparing two plants: the pipes plant in Azerbaijan and the plant in Seversk, M. S. Gorbachev said that both plants have virtually identical equipment and technology and that the volume of their output is virtually the same. However, whereas no complaints are being filed against the work of the people in Sverdlovsk, 10 percent of the pipes produced in Sumgait and shipped to Western Siberia with such a great deal of effort are defective.

... I was out of luck in the case of Tantsyrev, the plant's director. When I arrived he was not at the plant. He was in Sumgait, at the Azerbaijan pipes plant, where he was learning once again from its "experience," the experience of a lagging enterprise. It was necessary to determine the reasons for which in Sumgait defective items were manufactured, so that the plant could be helped. The result was a contract for socialist cooperation between the people of Seversk and Sumgait. It stipulates not only the exchange of

progressive experience but also its application within a specific and extremely short time.

Trial by cooper pipes is a test of glory. The steel pipes produced in Seversk are a test of the principles on which the entire collective is structuring its life. It is a continuing test through action, an action which has already largely exceeded the limits of this book which was published quite recently, only last February.

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## YOUNG DETACHMENT OF THE INTERNATIONAL WORKING CLASS

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[Review by A. Dzasokhov, candidate of historical sciences, and V. Turadzhev, deputy editor in chief of the journal AZIYA I AFRIKA SEGODNYA, of the book "Mezhdunarodnoye Rabocheye Dvizheniye. Voprosy Istorii i Teorii" [The International Worker Movement. Problems of History and Theory]. B. N. Ponomarev, chairman of the Main Editorial Commission. Volume 7. "Rabochiy Klass i Natsionalno-Osvoboditelnyye Revolyutsii Posle Vtopoy Mirovoy Voyny" [Working Class and National Liberation Revolutions after World War II]. K. N. Brutents and G. F. Kim, responsible editors. Mysl, Moscow, 1985, 551 pp]

[Text] The 4 decades since World War II were saturated with tempestuous changes in the life of the peoples of Asia, Africa and Latin America. "From rightless objects of imperialist policy in the past, they took the path of autonomous historical creativity," the CPSU Central Committee political report to the 27th Party Congress noted. Colonialism left to them its most difficult legacy — extreme poverty of people's masses, hunger, disease and ignorance. Per capita income in the developing countries is lower than in the developed capitalist countries by a factor of eleven. This extremely adverse correlation is worsened even further by foreign imperialism with its refined system of new colonialist exploitation. The multinational monopolies have become the "Trojan horse" of imperialism, through the channels of which they extract from yesterday's colonies multibillion profits, and try to keep them as a raw material appendix to the world capitalist economy. This has led to the establishment of a new complex set of contradictions between imperialism and the developing countries and peoples. The fundamental collective work by Soviet scientists under review is a thorough study of the conflicting processes of social transformation of the developing countries of Asia, Africa and Latin America and the place and role which the young proletariat which is gathering strength within such countries plays. The authors were faced with the exceptionally labor intensive problem: beginning their study with the end of World War II and its sociopolitical results, to provide an expanded picture of the situation and dynamics of the working class and the labor movement in the countries of Asia, Africa and Latin America throughout the entire postwar period.

The difficulties which faced the researchers were above all of methodological nature. The developing world presents an exceptionally variegated picture,



with a tremendous variety of ethnosocial, economic and sociopolitical structures in which contemporaneity is strangely interwoven with patriarchal traditions. This variety is enhanced by the intensive processes of class differentiation. Furthermore, it was impossible to ignore the fact that today the Latin American proletariat has come closer to the basic class characteristics of the working class of developed capitalist countries much more than has the proletariat in Africa and Asia. Taking this circumstance into consideration demanded, naturally, major stipulations in characterizing the working class of life in Latin America and a special study of its features.

However, the historical destinies of the proletariat of all the countries considered in the book are united by many common features. This includes the struggle for uprooting the consequences of colonialism, against imperialist diktat and for political and economic liberation and social progress and, finally, something which is most important today, for peaceful conditions for independent development and detente the world over.

What is the role of the Afro-Asian and Latin American proletariat in this struggle? What is its place in the ranks of the working class of the non-socialist world? What makes these problems even more legitimate is that bourgeois sociology, which exaggerates "oriental" and other features, is trying to distort the actual picture and present in a distorted light the dynamics and motive forces of social change in Asian, African and Latin American countries. Unquestionably, the labor movement on these continents has its specific features. However, it is not they which determine its main characteristics. "...The social qualities and possibilities of the proletariat, its development and the dynamics of the labor movement in these countries obey universal laws," the authors emphasize. "The facts totally refute the thesis of peasant-petit bourgeois and bourgeois theoreticians to the effect that the working class in that zone is not an exploited class but a privileged social group, for which reason, therefore, it cannot be a progressive social force" (p 34). This most important methodological postulate is the base of the entire study. Its argument and substantiation involves most extensive specific historical data and statistical materials.

The working class of the former colonies and dependent countries is shaped under specific conditions determined by a mixed economy. It is young and socially heterogeneous. Being still a minority of the active population, it retains the economic, sociopsychological ties with the nonproletarian environment and is under the steady influence of caste, ethnic, religious-communal and other traditional factors. This predetermines the still low level of its socioeconomic and political maturity. Nevertheless, in the course of the breakdown of traditional structures and the creation of modern industrial sectors and types of output, not only a quantitative growth of the proletariat takes place but also major quality changes occur in its appearance. Whereas by the turn of the 1960s the hired labor force numbered between 110 and 120 million individuals, by the turn of this decade their number had risen to 210-212 million. Adding the significant detachment of blue and white collar workers in the Latin American continent, this means that in terms of this indicator the former colonial and semicolonial world has equaled or even somewhat outstripped the countries of developed capitalism.

It would be difficult to overestimate the historical significance of this event. It "creates," the authors emphasize, "a firm objective foundation for the development of a mass labor movement and for strengthening the positions of class-oriented trade unions and proletarian parties in the cities and in the rural periphery of developing countries" (pp 569-570).

As the authors convincingly prove, the historical "youthfulness" of the proletariat in the developing countries has not only negative but also positive features which favor the revolutionary struggle. In particular, this applies to a certain cohesiveness among the working people, the urban and rural poor who, as a rule, support the actions of the workers during crises. Therefore, the urban proletariat in contemporary industrial sectors has frequently been the main striking force in leading the masses in general strikes which include political demands and in anti-imperialist and anti-war demonstrations.

On the basis of extensive factual data, a significant percentage of which used for the first time, the authors consider in detail problems of the shaping and structure of the proletariat by region and individual country. Despite the entire kaleidoscopic nature of the picture, a steady trend appears of a rather fast growth of the proletariat, particularly of its industrial nucleus, related to contemporary industry, and the gradual formation of a modern working class.

In their study of the origins and development of the industrial working class, the monograph authors take steadily into consideration the features of its development in Latin America. The socioeconomic maturity of the proletariat in this area is higher compared to that in Asia and Africa, as manifested in the higher level of its organization and combativeness. Here the proletariat is already firmly in the center of political and social battles and, in a number of countries, is the acknowledged vanguard of the anti-imperialist actions of the broad popular masses.

Nevertheless, the authors point out, the numerically largest detachment of the army of hired labor in the majority of developing countries are workers in agriculture, trade and private and public service. Therefore, the parallel groups of hired labor are becoming a "long-term law of the social evolution of liberated countries" (p 80).

All of these circumstances greatly complicate the study of factors affecting the socioeconomic status of the proletariat, such as wages, living standard, labor conditions, employment, etc. The authors have not taken the easy way of simply noting average statistical indicators. Conversely, they have submitted to a thorough and scrupulous study, on the country and regional levels, of the most extensive factual data characterizing the value of the manpower, the dynamics of real income, the labor market and the sociolegal status of each group of working people.

Unquestionably, some positive changes in the material situation of the people's masses took place in many of the liberated countries during the period of independent development. This applies, above all, to workers in large contemporary enterprises of the ore mining and processing industries.

However, the fact that a certain increase in the wages of individual worker categories was achieved does not prove in the least their "privileged status," as the "new left" bourgeois and pro-bourgeois ideologues are trying to prove. The irrefutable facts cited in the book confirm that it is precisely the industrial workers who are subjected to the most intensive exploitation.

Naturally, working and living conditions in the individual countries are by no means identical. A great deal here is determined by the sociopolitical orientation of the ruling system. Quite expedient, in this connection, is the discussion of problems related to a large group of countries with a socialist orientation, combined in a separate chapter.

In the past 10-15 years, the authors note, major changes have taken place in the countries with a socialist orientation, confirming the intensification of the revolutionary process. Some revolutionary democratic parties have acquired the features of vanguard parties of working people, guided by the principles of Marxism-Leninism. The share of the working class is increasing within their ranks, the force of which "within the historical movement has been immeasurably greater than its share of the total population" (V.I. Lenin, "Poln. Sobr. Soch." [Complete Collected Works], vol 3, p 13). This Leninist concept entirely applies to countries with a socialist orientation, where the substantial gains achieved by the working people became possible not only thanks to the policy of the revolutionary democrats but also as a result of the class struggle waged against exploiters. With the increased numerical strength of the working class its influence on all aspects of life of these countries will continue to grow. "The trend toward the increased role of the working class in countries with a socialist orientation," the authors note, "is the result of a double process. On the one hand, the working class can act as the most consistent force in the struggle for a socialist orientation and the very logic of this form of development creates favorable conditions for increasing its role in the country's economic and political life. On the other hand, the historically determined actual increase in the importance of the working class contributes to the gradual elimination of the underestimating by some revolutionary-democratic systems and parties of the decisive significance of the proletariat in social development" (p 365).

"Difficult tasks," the CPSU program points out, "are facing the young and rapidly growing working class in Asian, African and Latin American countries. It is opposed both by foreign capital and the local exploiters. Its political maturity and organization are improving in the course of the struggle." This legitimate process of maturing of the proletariat is studied in the book against a broad historical background. The authors trace in detail the increased role of the working class and its Marxist-Leninist vanguard in the course of the anti-imperialist struggle waged by the peoples of the Afro-Asian and Latin American countries for state independence and economic autonomy, the forms and outcome of which, in each specific case, are defined by the correlation of forces in the domestic political and international arenas.

From its very first steps, the labor movement on the three continents proved itself an organic part of the broad anti-imperialist movement. This characteristic determined the rather high level of its political development, above all in Latin America, Southeast Asia, North Africa and the Middle East.



The weakening of the political and economic positions of foreign capital in these areas and of the merchants and the feudal lords related to it created favorable conditions for the growth of the class self-awareness of the proletariat and its transformation into an independent social force. This was manifested above all in the scope of the trade union movement which, considering the relative weakness of labor parties, plays a special role here and is frequently the center of proletarian political action.

Citing specific examples the authors describe the tremendous difficulties encountered by the young working class in solving such most important problems of the national liberation and social struggle, and the way in which in the course of their solution the importance of the socioclass factors and of the class struggle itself, increases. "The post-colonial history of the labor movement in the liberated Asian and African countries," the authors emphasize, confirms that the main prerequisite for the social liberation of the working class is its own struggle that and a mandatory prerequisite for its successful outcome is the conversion of the proletariat into a social force which can not only defend its own interests but also gain an awareness of its mission of liberating all other oppressed social classes" (p 252).

The situation in the liberated countries is worsened by the relative weakness of the communist movement. In the majority of countries the communist parties have still not become mass organizations. In some countries they are banned and subjected to repressive measures. In others they have still not appeared although in a number of areas (Latin America, the Arab East, Southeast Asia) the Marxist-Leninist parties are an influential force. Naturally, all of these factors cannot fail to influence the dynamics of the growth of the class and political awareness of the proletariat. As the work under review justifiably emphasizes, the labor parties and trade unions are the most important tools in organizing the workers into a "class for itself," in the course of the proletarian movement or, in other words, in the process of "self-creation in the struggle" (see p 572).

The labor movement in Asian, African and Latin American countries is not developing separately, by itself. It is under the powerful influence of the ideas and practices of real socialism and of the labor and communist movements in the developed capitalist states. The very fact of the division of the world after the Great October Revolution into two opposite sociopolitical systems and the struggle and competition between them created the historical conditions in which the collapse of the colonial empires became inevitable. The gaining of full governmental independence by yesterday's colonies and semicolonies made it possible to develop an efficient mechanism and a variety of forms of cooperation between them and the Soviet Union and the other socialist countries.

One of the major trends of this fruitful cooperation, the work points out, is helping the developing countries in building major industrial projects and transfer of modern technology. This contributes not only to the quantitative but also the qualitative growth of the proletariat in the liberated countries. The total number of skilled workers, trained directly at the construction sites and machine tools, and of the middle technical personnel with Soviet assistance alone, as the authors point out, was 860,000 people from Asian and

African countries. Adding to them those who acquired modern knowledge and technical skills and production experience in the schools of the USSR, the GDR, Poland and other socialist countries, the figure becomes even more impressive.

This applies, above all, to the industrial workers in countries with a socialist orientation who, as the authors note, "are gradually coming closer to the working class of the countries in the socialist community in the basic objective of their struggle. It is a question of the implementation of the universal-historical mission of the working class: the revolutionary reorganization of society and progress towards socialism" (p 653).

Finally, another important problem of study in the work under review is the struggle waged by the working class and the peoples of the liberated countries for peaceful international conditions in which they can develop. This front of the struggle is also of a clearly manifested anti-imperialist nature. Imperialism is involving the developing countries into an arms race of unprecedented scale, diverting their already scant resources to military purposes. "The working people, the entire progressive public of Asia, Africa and Latin American," the authors note, "realize with increasing clarity that the aggravation of the international situation, the increased threat of war and the arms race are in a state of crying contradiction with the interests of the struggle for surmounting the backwardness of the liberated countries and establishing a new international economic order" (p 582-583).

Therefore, the struggle for peace and against the threat of thermonuclear catastrophe is extremely important to the labor movement in the developing countries. The struggle for strengthening peace and settling regional conflicts provoked by imperialism is becoming, as the monograph indicates, an invaluable factor in the further consolidation of the worker movement in the developing countries and in strengthening the alliances and coalitions between the proletariat and the broad democratic and anti-war forces.

Let us emphasize, in conclusion, that this major work not only sums up an entire stage in the study by Soviet scientists of the working class and the proletarian movement in Asian, African and Latin American countries, but also enriches science with new important summations and conclusions of great importance to the practical activities of communist and revolutionary and revolutionary democratic parties and progressive trade unions in the developing countries. At the same time, the authors have faced the science of the working class with a number of topical problems which need the further intensified study in the light of the innovative ideas formulated at the 27th CPSU Congress.

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## DOCUMENTS OF A LIFETIME EXPLOIT

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[Review by Academician I. Mints, CPSU member since 1917, of the book "Izbrannyye Proizvedeniya" [Selected Works] by A. F. Myasnikov (Myasnikyan). Editorial collegium: V. I. Kulikov (head) et al. Politizdat, Moscow, 1985, 263 pp]

[Text] Publishing the literary legacy of V.I. Lenin's students and fellow workers, who were at the origins of the October Revolution and the building of socialism has been a long and good tradition in the work of Soviet publishing houses. On the eve of the 70th anniversary of the Great October Revolution, one such interesting publication has been added to their number: a book of selected works by Aleksandr Fedorovich Myasnikov (Myasnikyan), a noted figure of the Communist Party and Soviet state and one of the noted organizers of the Red Army, the centennial of whose birth was celebrated this year. Myasnikov joined the party in 1906. In November 1917 he was elected by his soldiers commander of the Western Front; he was the first chairman of the Central Buro of the Communist Party (Bolsheviks) of Belorussia and secretary of the Moscow RKP(b) Committee in 1919-1920; he was chairman of the Armenian Sovnarkom and secretary of the Transcaucasian Kraykom of the RKP(b) in 1921-1925. This is a very partial list of the main landmarks in the life of this ardent revolutionary and internationalist and loyal son of the Armenian people.

The CPSU Central Committee Institute of Marxism-Leninism, together with its branches -- the Azerbaijani, Armenian, Belorussian and Georgian -- prepared a truly definitive edition of the selected works of A.F. Myasnikov (A. S. Smolnikov, head of the compilers' group); the 46 works included in this volume reflect quite extensively his heroic biography and the life exploits of this ardent fighter for socialism. This is the first time that such a publication of the works of A.F. Myasnikov has been undertaken by a central publishing house. The topics included in this volume reflect the great variety of facets of the author, which can be classified in several areas: A.F. Myasnikov's activities in the defense and the propaganda of Marxism-Leninism, proletarian internationalism and friendship among the peoples; active participation in the preparations for and making of the Great October Socialist Revolution in Belorussia; his role in organizing the defense in the western borders of the country during the civil war and foreign military intervention; and Aleksandr Fedorovich's contribution to party and soviet building in the Transcaucasus.



A.F. Myasnikov's recollections, entitled "My Encounters with Comrade Lenin," reprinted in the volume, are particularly valuable.

The thoughtful reader will find a great deal of useful information in Myasnikov's works on problems of the sharp and irreconcilable struggle against bourgeois ideology and against all manifestations of bourgeois nationalism and great-power chauvinism and for a socialist solution of the national problem. A number of works in the collection deal with problems of national-state building in the Transcaucasus.

Myasnikov was the author of important works summing up party experience in organizing the Soviet armed forces and describing the origins of the victory of the Red Army in the civil war. Unquestionably, they are a major contribution to the creation and development of Soviet military science.

A.F. Myasnikov paid great attention in his works to topical problems of building socialism and, in particular, the problems of implementing Lenin's cooperative plan as a structural component of building socialism in the country and involving the masses of the toiling peasantry in the social reconstruction of the countryside. "Cooperation," he wrote, "is the greatest means of linking town with country and socialist industry with peasant agriculture.... Cooperation also educates the masses, helps them to build a new life and reorganizes the old system into a new, socialist and communist one" (p 198).

A.F. Myasnikov frequently acted as a literary expert. With S. Shaumyan and S. Spandaryan he was one of the founders of the Marxist trend in Armenian literary criticism. Throughout his life he was attracted by the study of problems related to the creation of a socialist culture. This topic was frequently discussed in his articles and speeches. In one of his last works -- his speech at the 4th Congress of Soviets of the Soviet Republic of Azerbaijan, on 12 March 1925, A.F. Myasnikov emphasized that, "all of us together are creating our culture, a socialist and proletarian culture. This is what unites us. Under today's conditions any culture can develop only in a socialist proletarian trend" (p 214).

The articles in the collection acquaint us with many aspects of Myasnikov's activities in the dissemination of Lenin's ideas, problems of intraparty democracy and struggle for party unity. "The word 'communist,'" he said on 5 October 1918, "has a loud ring to it. However, it must be pronounced also with the greatest reverence. This means that those who carry it must be worthy of this word."

At the dawn of the 20th century, V.I. Lenin wrote that no single class in history had achieved domination without elevating its political leaders and progressive representatives who could organize the movement and head it. The author of these lines had the luck not only of knowing A.F. Myasnikov, the outstanding builder of a new socialist life, but also repeatedly to hear his impassionate speeches, filled with profound conviction of the justice of bolshevik policy, and to see his great efforts in their joint participation in the battles on the civil war fronts, and personally to evaluate the amazing organizing abilities displayed by Aleksandr Fedorovich. In terms of the scale

of his personality and his outstanding qualities as a revolutionary fighter, he fully answered Lenin's description of a proletarian leader.

The publication of A.F. Myasnikov's selected works is a confirmation of the grateful remembrance of a loyal Leninist by latter generations. His life exploit is an inspiring example of dedicated service to the party and the people and to the ideals of communism.

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